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AUGUST & SEPTEMBER 2001, NO.108, $6.00

SCIENCE, FAITH, AND ALTERNATIVE MEDICINE
RONALD W. DWORKIN

THE FED'S DEPRESSION AND THE BIRTH OF THE NEW DEAL
PAUL CRAIG ROBERTS AND LAWRENCE M. STRATTON

THE DEMOCRATS' DIVIDE
ELIZABETH ARENS

WHY EUROPE NEEDS BRITAIN
MICHAEL GONZALEZ

ALSO: ESSAYS AND REVIEWS BY
ANDREW STARK, NICHOLAS KHOO AND MICHAEL L.R. SMITH, JON JEWETT III, AND JOHN PODHORETZ

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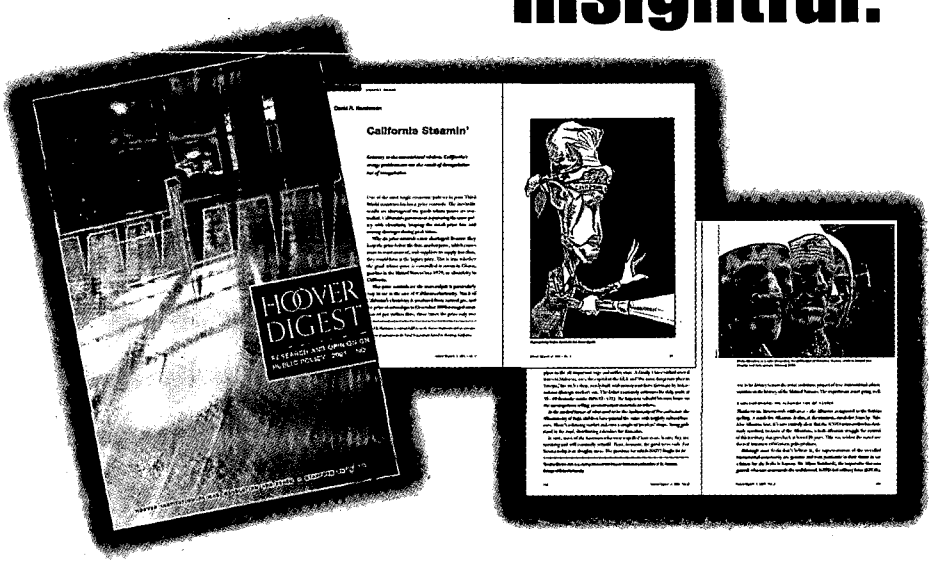

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Science, Faith, and Alternative Medicine

By RONALD W. DWORKIN

YEARS AGO, PEOPLE WORE garlic around their necks to protect their health. There may have been a rational basis for this action: Wearing garlic kept others at a distance, thus decreasing one's exposure to infectious disease. But the people who wore garlic did not know this, and what animated them was more superstition than science.

As a practicing physician, I see a related phenomenon. I see patients who ingest garlic and other herbal products even though the science supporting the efficacy of these remedies is unclear. Ironically, these patients do so in the name of science. My patients would blush at the idea of wearing garlic in the style of a necklace, but when garlic is crushed up, put into capsules, and then swallowed, they are convinced that they are acting scientifically. This eagerness to swallow what others once wore may some day find justification in science. Then again, it may prove to be nothing more than superstition.

Alternative medicine is not a recent phenomenon, and at different times, branches of the movement have enjoyed widespread public support. Homeopathy, for example, was extremely popular in the United States dur-

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ing the second half of the nineteenth century. Ancient Chinese medicine has been popular in Asia for over 2,000 years. What today is called alternative medicine covers a wide range of disciplines, most of which are guided by the belief that the human body has more than just a material reality. Supposedly, the human body has an energy to it that can be guided by external manipulation, much the way that matter and tissues are influenced by chemicals and radiation in allopathic medicine. This manipulation of energy harnesses the inner resources of the body to promote healing.

Still, the definition of alternative medicine is just as confusing as the science of alternative medicine. Acupuncture, herbal therapy, and biofeedback are commonly included within that definition, but so also are chiropractic and magnet therapy. The spinal adjustment technique used by chiropractors has been shown in clinical trials to be effective for the treatment of low back pain. Moreover, the theory behind spinal adjustment has links to the biomechanical model of allopathic medicine. On the other hand, not only has magnet therapy failed to show effectiveness in serious clinical trials, its effectiveness might not even be demonstrable within the scientific paradigm governing medicine. Alternative medicine includes some therapies that have proven value and are consistent with modern science, but it also includes other therapies that may have no value at all, and if they did, would challenge the basic assumptions of science.

Alternative medicine does not fit neatly into either the conservative or the liberal worldview.

The confusion surrounding alternative medicine is reflected in the political arena, causing deep divisions within both the liberal and conservative camps. Within the conservative camp, libertarians see any governmental regulation of the alternative medicine movement as a violation of individual freedom. Cultural conservatives, on the other hand, are suspicious of the movement's links to anti-Western multiculturalism. Within the liberal camp, progressives like Sen. Ted Kennedy and Rep. Henry Waxman have pushed for greater regulation of the alternative medicine industry in the spirit of consumer protection. Yet multiculturalists want alternative medicine to flourish unimpeded because they see it as a powerful weapon to use against traditional Western ideas.

Alternative medicine does not fit neatly into either the conservative or the liberal worldview. The conservatives have tax cuts and school vouchers, the liberals have national health insurance and environmentalism — and almost as if to keep from running afoul of each other, the two camps remain silent on a subject that belongs to neither.

This cannot continue. From 1990 to 1997, the amount of money spent by consumers on alternative medicine increased 45 percent. In 1997, Americans spent over $21 billion on alternative medicine, with almost a third of the

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U.S. patient population buying products and services in this field. Last year, consumers spent more money for alternative medicine therapies than they spent out-of-pocket in the entire allopathic (mainstream) medical system. Alternative medicine is now large enough to command the attention of legislators and public intellectuals.

What is driving the demand for alternative medicine? Clearly science is not the driving force. Hospitals put alternative medicine clinics on their campuses because marketing surveys reveal intense public interest in the field, not because proven science demands them. Alternative therapies like Ayurvedic medicine, healing touch, and energy medicine may challenge the biomechanical theory of disease that has governed medical science for over a century, but they do not come close to overthrowing it. We are not witnessing a paradigm shift as described by Thomas Kuhn in *The Structure of Scientific Revolutions*.

Some of the patients popping garlic pills confuse pill-taking with science and endow compounds taken by mouth with the force of science.

Some of the patients popping garlic pills confuse pill-taking with science and endow compounds taken by mouth with the force of science. Much of alternative medicine relies on physical practices that are commonly used in conventional (allopathic) medicine: pill-taking, needle-poking, and the application of heat and pressure. But this does not mean that alternative medicine is somehow closer to science than the wearing of herbal necklaces. People have simply confused these physical modalities with "signs" of science, the way sitting cross-legged with bowed head is wrongly interpreted to be a sign of spiritualism. If this is true, and alternative medicine has gained respect only by copying the ways of science, then science has unwittingly allowed itself to become the basis of the major superstition of our age.

Nor is the medical establishment responsible for alternative medicine's growing popularity. If anything, the medical establishment looks at the phenomenon with restrained anxiety. Many doctors think of alternative medicine as something shady, the way doctors have traditionally viewed homeopathy and chiropractic. While this view is changing — more than 70 American medical schools now offer courses in alternative medicine — doctors are still unreconciled to its popularity, and they often adopt an attitude of semi-indulgent contempt.

The explanation for the rise of alternative medicine involves far more than science, politics, or money. Policymakers need to understand this in order to deal sensibly with issues of research, funding, regulation, and licensing that are now starting to appear.

In the past, people found relief for many of their problems in two institu-

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tions: the medical profession and organized religion. Doctors and clergymen helped people endure often heavy, joyless lives and kept people from feeling alone in the world. By doing so, doctors and clergymen developed a real bond of affection with their clients. Sometimes the bond of affection took the form of stern counsel for a misdirected life; other times it was composed of nothing more than pleasant conversation or a pat on the back. Either way, doctors and clergymen exerted a powerful effect on people's lives.

Important changes in both the medical profession and organized religion have caused the influence of these two institutions to decline. Many people now see the medical profession as too busy and too science-oriented to care about their everyday troubles, while organized religion seems totally irrelevant and antimodern. As a result, people's lives have been swept outside of their normal channels and scattered among the innumerable disciplines that make up alternative medicine. Alternative medicine lies between the medical profession and organized religion, and so benefits from the decline of both. Life once forced people into the hands of medical science or religion. Now a hybrid is there to receive them.

Medical science without faith

In an era of managed care, doctors keep a firm and unremitting control over their time, their labor, and most important, over their mental and emotional powers. In Maryland, where I practice medicine, the ideal office visit lasts no more than 15 minutes. Doctors keep a tight schedule for two reasons: to maximize reimbursement by seeing as many patients as possible and to husband their strength for the activities of private, nonprofessional life.

In order to get down to business as quickly as possible, doctors put their patients into diagnostic categories, at the very least because insurance companies will not reimburse for care unless a patient has a diagnosis. From there, doctors draw on a variety of algorithms to treat their patients. The result is extremely efficient patient management, though somewhat cookbook.

Doctors apply the right method to every disease the way experienced housekeepers choose the right key for every door. As a result, there is little room for the enigmatic and the mysterious in medical practice. Even psychiatrists rely heavily on classification schemes to treat their patients. Patients who are confused about life, or who suffer from a small crisis of the spirit, find it difficult to talk to doctors about their problems in this hyperrational environment.

Many doctors do not even try to conceal their lack of interest in human relations. They look upon a medical practice confined to the systematic management of physical illness as an ideal of repose. A young doctor told me, "Every day I pray, 'God spare me the interesting case.'" He viewed

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patients who might try to talk to him about their secret struggles as a source of trouble. They interrupted the brisk flow of patients through his office.

The entrance of women into the medical profession has not changed this trend. Many female physicians resent the fact that patients expect them to be better, more attentive listeners simply because they are women. They shout back that they are no more free to talk to a patient for two hours than male doctors, since their office schedules are just as tight.

The medical profession was not always so narrow in its scope. In the past, physicians gladly talked to patients when asked for advice about life, and in a spirit that is almost incomprehensible today. Doctors would put their instruments aside, assume a more thoughtful mood, and discuss issues with an almost relaxed indifference to any scientific purpose. Their wisdom was not a "treatment," and the sweet but slightly condescending tone of their voices would probably be an insult to today's democratic sensibilities. It suggests a distinguished and urbane person deigning to illuminate the less well-educated — not the more acceptable notion of a technician empowered solely by his or her narrow scientific skill.

Many female physicians resent the fact that patients expect them to be better, more attentive listeners.

When today's doctors do talk about the problems of life with their patients, they usually have at least one eye on the diagnostic categories of mental illness. Rather than exploring life's issues philosophically, doctors wonder whether a whining patient has a form of depression that needs to be treated with medication. Thus, even the management of emotional trouble becomes rather cookbook. The doctor becomes a skilled tradesman, such as a plumber or electrician — someone whose work calls for little depth of human understanding.

Patients see this, and they are repelled by it. This is one reason they flock to alternative medicine. While alternative medicine encompasses different treatment modalities, most of these systems have something in common: They do not herd patients into diagnostic categories or cause patients to be managed according to some predetermined algorithm. Each patient is considered unique in alternative medicine, such that if 10 patients present to an acupuncturist with peptic ulcer disease, each one might be treated differently. The theory behind alternative medicine requires providers to listen carefully to patients, to talk to their patients about special feelings and circumstances, since these elements affect treatment. This is true whether a patient complains of a physical condition or simple everyday unhappiness.

Because so much time is spent on each patient in alternative medicine, providers note that it can be hard to make a living in their world, even though they are paid in cash. They cannot work on volume the way allopathic doctors can.

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In the past, when patients asked doctors for advice about life, they did not expect the wisdom they received to be confirmed by experiment. Patients simply listened to their doctors and then gradually and unconsciously followed the wisdom dispensed by doctors on faith alone. The high social and economic position of doctors, combined with the propensity of every human being to believe in something, allowed a doctor's untested wisdom to grab hold of a patient's mind. Doctors influenced the direction of people's thinking, and satisfied people's demand for answers to life's problems, simply by stoking the religious instinct to believe.

The connection between the religious instinct and doctoring persists. Important religious traditions form part of the alternative medicine complex, including ancient Chinese medicine, traditional Ayurveda, yoga, the Islamic Sufi tradition, and Native American healing. By going to a practitioner skilled in one of these arts, patients feel that they are getting a complete doctor — someone to treat their medical condition and to give them wise advice about life as well.

Physicians in the past were not so overt in tying their wisdom to any particular creed. They may have been schooled in the classics or Christian theology, but they generally clothed their advice in secular language or at least conveyed religious maxims with subtlety. Today's doctors generally lack an extensive liberal arts background — medical schools are satisfied if their graduates are scientists alone — and so the best way for doctors to complete themselves as professionals, and to satisfy their patients, is for them to work directly within a religious healing tradition. Religious healing traditions combine medicine with ready-made wisdom.

An increasing number of doctors use alternative medicine to embellish their personal doctoring skills. This is why alternative medicine's bias toward Eastern religions is not necessarily part of a sinister, multiculturalist plot to destroy the West. Since neither Christianity nor Judaism has an extensive healing tradition, these religions do not form part of the alternative medicine complex. Eastern religion has an extensive healing tradition, and so it does. The fact that alternative medicine serves the multiculturalist agenda may only be a coincidence; many doctors use alternative medicine for no other reason than to establish a rapport with their patients without leaving the realm of science altogether.

The science of belief

THE ROLE OF BELIEF in medical practice penetrates the science of medicine itself. In the past, many doctors gave sugar pills to their patients because they made patients feel better, even though the pills themselves were inert. This was called the "placebo effect." The idea that patient belief was just as important to therapy as real biochemical interactions formed part of everyday medical practice.

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Over the past 20 years, the placebo effect has been practically disowned by physicians. Sometimes doctors are even a little embarrassed to prescribe aspirin, even though aspirin has an effect and is not a placebo, since the drug is so benign. To many physicians, real medicine means dealing with serious toxins — this is how doctors defend their exclusive right to the prescription pad — and doctors look upon the use of inert substances as a vestige of some quaint, prescientific age.

Doctors have forgotten the important role played by placebos in the management of patients. If doctors tell patients, "This is powerful medicine," patients tend to believe it. Patients then demonstrate a positive response to the medication even though the drug is inert. People's perception of their treatment plays an important role in their attitude toward illness.

Doctors have forgotten the important role played by placebos in the management of patients.

The medical profession's contempt for the placebo effect is so intense that it has given way to confusion about what the placebo effect really is. In a recent article published in the *New England Journal of Medicine*, placebos were shown to have little effect on disease processes; they only affected subjective patient experiences like pain. But the article makes no sense. If placebos had objective healing properties, they would no longer be placebos. The placebo has three purposes: 1) to make a patient feel better when there is no illness, 2) to make a patient feel better (e.g., less pain) in spite of ongoing illness, and 3) to make a patient feel better by instilling hope when medical science deems a patient beyond hope. Placebos work on the mind; they are not supposed to have an effect on the body.

Because the placebo effect is a form of deception, today's physicians are uncomfortable with this approach to therapy. Their science tells them that they are beyond such low cunning; their democratic outlook tells them not to lie to patients. Alternative medicine has simply taken up what the modern medical profession has thrown away. It relies heavily on the placebo effect, though in many cases neither the alternative medicine provider nor the patient knows whether the therapy being used is a placebo or not, since randomized clinical trials have not been performed on most alternative therapies. Providers who treat patients with shark and bovine cartilage therapy, flower remedies, juice therapies, or laugh therapy, for example, cannot point to any scientific study that condemns or justifies these treatments. Yet the providers believe in these treatments, and if they are sufficiently persuasive, they can get patients to believe in them too, producing a positive effect.

At my hospital, many patients come to the alternative medicine clinic to try therapies that are less invasive and less toxic than those prescribed by allopathic doctors. If the alternative therapies fail, patients return to allo-

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pathic medicine. They merely want to see if they can get by with an intermediate step. Other patients come to the clinic because allopathic medicine cannot help them. In both populations, the value of alternative medicine exists largely in the mind. A tincture of hope combined with a vague respect for anything scientific drives these nervous patients into our clinic.

Yet is this so wrong? In truth, *conventional* medical therapy has little effect on outcome in the vast majority of cases seen by doctors; patients will either recover on their own or stay with their disease. This is a confirmed epidemiological fact. If medical science has a definite limit and doctors are inconsequential in the majority of cases, then why not let patients pursue alternative, nonscientific modalities? Most of these therapies are harmless, and from an epidemiological point of view, they may not matter. Besides, most patients use them in conjunction with allopathic medicine and not as a substitute.

When patients ask, "Why me?" or "Why must these things be?" allopathic medicine has few answers.

To the extent that alternative medical therapies produce an effect, it is likely to be positive. Patients may feel better because of the placebo effect. Moreover, because many subfields of alternative medicine draw on a religious tradition, patients find in alternative medicine ways of making their pain and misery more comprehensible. Because alternative medicine is not confined by the limits of rational or testable knowledge, its powers of explanation are enormous, and patients leave the alternative medicine clinic thinking that their troubles have real spiritual significance. When patients ask, "Why me?" or "Why must these things be?" allopathic medicine has few answers to give other than a descriptive, physical explanation of why painful things occur. But alternative medicine has persuasive dreams and seductive legends at its disposal. It can tell patients that their psychospiritual centers have yet to be awakened, or that their unique history as human beings is the cause of their illness. Alternative medicine has a tremendous capacity to put difficult situations in a new light, even to justify them, and this makes it as powerful as religion.

The connection with religion is important. Alternative medicine so artfully conspires to make patients believe that their illness has spiritual significance that once patients absorb the fiction, they are practically enslaved by it. As a physician, I have never been able to disabuse patients of their alternative medicine beliefs. Because these beliefs have no empirical basis, fighting them with an array of scientific facts is like shooting at a swarm of bees with a gun. Yet the ability of alternative medicine to mesmerize patients simply attests to an elemental truth about human existence: The only way for patients to stop believing in *something* is for them to stop living. When allopathic science reaches the limit of what it can offer and patients are told by

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doctors to simply get on as best they can, patients simply transfer their affections to alternative medicine.

The value of alternative medicine remains unproven in clinical trials. Yet the fact that it remains unproven only helps alternative medicine sustain people's hopes; what is not impossible may still be possible. Scientific medicine operates with a completely different sensibility. It encourages an endless process of hypothesis, disputation, and refutation in order to prove the value of medical therapy. While this process makes scientific medicine more intellectually honest than alternative medicine, it leaves little room for a dream in a patient's mind. The rational approach of scientific medicine often does nothing more than knock terminally ill patients on their heads, and with such determination that one wonders what conceit there might be in forcing sick people to know the unvarnished truth about their futures.

By contrast, alternative medicine deliberately courts mystery, even obfuscation. Patients who imagine their illnesses to be caused by a shift in their spiritual axis or a fall in Qi are shielded from the glaring light of scientific reality. They may not necessarily understand the concepts of alternative medicine, but they believe in them, and this can help ward off despair.

The hypnotic power of alternative medicine is especially important in patients with chronic disease. These patients form an ever larger share of this country's patient population. Scientific research is not yet able to cure diseases like Parkinson's, emphysema, and heart failure, so people who are afflicted with these conditions often lead unhappy, difficult lives. People want to believe that they have a chance for improvement, yet they find no outlet for their energies in scientific medicine. As a result, their psyches wither and droop — until alternative medicine animates them by telling them how therapeutic possibilities exist beyond the realm of allopathic medicine. While the future often shows alternative medicine's promises to be nothing more than talk, the boundless possibilities that suddenly appear on the horizon raise the spirits of these patients in the present. This is not a bad thing.

Changes in the attitudes of doctors have caused allopathic medical practice to become regimented and precise, and to be geared toward complete and ready answers. When such answers are unavailable, doctors suddenly find themselves with nothing more to say. This has pushed people away from medicine and in a very specific direction— toward religion. Alternative medicine, which houses several authentic religious traditions, has become an important stopping point along the way.

Organized religion and the loss of faith

TODAY'S PATIENTS ARE finding options outside of medical science by moving in the direction of religion. Yet there is an equally important trend away from religion and toward medical science. Because alternative medicine lies between religion and science, it benefits

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from this second migration as much as from the first.

Over the past century, and especially over the past 30 years, organized religion has steadily lost influence among large sectors of the population. Elite, educated opinion increasingly views religion as something artificial, exceptional, and contrary to man's nature. To some, religion is as a source of sweet dreams through which the weak and the superstitious forget their misery and fears. To others, religion is a harmless, generally wholesome preoccupation or entertainment. These condescending attitudes form the basis of today's culture of disbelief.

The decline of the religious perspective on existence is difficult to measure statistically, since 90 percent of Americans profess to believe in God, and slightly less than half of all Americans go to church. But just as 100 percent voter turnout in an election staged by an authoritarian regime does not necessarily mean that democracy is at hand, neither does the profession of a belief in God among a majority of citizens make a society religious. A belief in God may be a very superficial thing, and not something on which to rely when life really grows difficult.

This rush to medication at the slightest misfortune is where alternative medicine comes in.

The decline of religion has created a serious void. Whether because of sadness, fear, regret, anxiety, or a general confusion about personal identity, people in our time enter the realm of melancholy with no idea of how to get out of it. Some have the will to believe in religion's solutions, yet reason often causes their belief to give way. Even the outwardly religious sometimes discover that their faith rests on a wavering foundation and that it takes only the slightest contact with harsh reality to upset it. People suffering from unhappiness grope for ways to feel better, praying that a convincing inner voice will whisper to them that their troubles are not so. Their minds go full circle without ever arriving at any new answers to life's more difficult questions.

One consequence of the decline of religion is the gradual medicalization of everyday unhappiness in our society. While before, a man experiencing trouble would have searched out a minister, a priest, or a rabbi to unburden himself, now he will just as often seek out a health care professional. Whether through medication or talk therapy, his goal remains the same — to shake off the disagreeable feelings that routinely penetrate life — only now it is medical science that counsels him, treats him, and feels for him, not organized religion.

Both doctors and patients are concerned with this trend. I have observed the rush to psychotropic medication in my own practice. An increasing number of patients coming for surgery at my hospital are on these medications, and this observation is consistent with the almost 50 percent increase in pyschotropic drug prescriptions nationally in the past decade.

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The rush to medication sometimes borders on the ridiculous. Outside of the operating room, a woman once asked me to put her son on psychotropic medication. When I asked her why, she said that her son had recently graduated from college, but that instead of continuing on a professional path, he now wanted to go into the military. She thought this was "crazy," since all the young men she knew became doctors, lawyers, or teachers. She wanted me to put her son on medication so that he would once again have "normal" career aspirations. Needless to say, I refused. In the end, *she* ended up on antidepressants, not her son, because her son's career choice made her so miserable. Fortunately, her need for medication was short-lived; her son tried a submarine but became claustrophobic, tried a surface ship but became seasick, and so left the Navy for law school. When that happened, the woman no longer needed medication.

This rush to medication at the slightest misfortune is where alternative medicine comes in. Alternative medicine has a real connection with science, one that makes it seem more legitimate than organized religion to many secular-minded people. At the same time, alternative medicine uses religious notions to help people find contentment. Concepts like "wholeness" and "harmonious existence" guide alternative medicine providers when they treat patients for minor depression, the therapeutic goal being to help patients achieve inner peace. Antidepressants are not prescribed. For secular people who distrust organized religion but who also dislike the ultrarational approach to mental health found in allopathic medicine (including the heavy reliance on psychoactive medication), alternative medicine is an excellent compromise.

Many patients come to the alternative medicine clinic at my hospital without any major complaints. Some visit because they are unhappy and just want to talk. Others come by even though they are relatively content; they use the principles of alternative medicine to maintain their state of "wellness." Such patients puzzle allopathic physicians. The latter expect people to go to doctors when they are sick, not when they are well or just feeling a little "down." Doctors simply dismiss the phenomenon as an eccentric form of preventive medicine. They are wrong to do so. Because they see alternative medicine solely as a satellite of medicine and not also as a satellite of organized religion, doctors do not understand that some patients who use alternative medicine are unconsciously looking for a new faith.

While alternative medicine includes several major religious traditions, the tight connection between religion and alternative medicine is not readily appreciated in this country. Yet the connection was not lost on the communist regimes of pre-1989 Eastern Europe. Most of these regimes banned, or at least tightly controlled, the practice of alternative medicine because of the ideological threat it posed. They understood very well that alternative medicine was more than just a scientific application. Alternative medicine challenged the stereotyped models of existence perpetuated by communism, and it created rivals to the political authorities in the form of care providers who

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managed the very souls of their patients.

Ironically, even Maoist China put severe restrictions on alternative medicine, despite the fact that ancient Chinese medicine forms a core component of the field. The Chinese communists shared the fears of their Eastern European counterparts. They managed the problem by turning ancient Chinese medicine into a Western scientific application. Under communism, ancient Chinese medicine shed its spiritual, otherworldly manifestations and adopted a cookbook approach to patient care. The diagnostic categories of Western medicine replaced the need for faith.

A prejudice against alternative medicine also exists in noncommunist, non-Western countries for a slightly different reason. Many of these societies emulate the West. In their drive to modernize, they adopt allopathic scientific medicine while pushing aside the folk healing traditions in their native cultures. Some Asian countries, such as Taiwan, are reintroducing ancient Chinese medicine into their medical school curricula, yet the phenomenon is rich in irony. They see the United States as the pinnacle of modernity. So if the Americans are adopting traditional Asian medicine, Asians should too. Thus, we have the picture of a modernizing country trying to emulate the modernity of the United States, which itself is trying to become postmodern by adopting premodern medical techniques.

Policymakers should look at the treatment modalities of alternative medicine on a continuum between science and religion.

Alternative medicine is more than just about science. It is also about culture and, more specifically, about the crisis of organized religion. People who are troubled, unhappy, and looking for answers will not allow themselves to be persuaded by a lie if they truly believe it to be a lie. In this secular age, they naturally turn to science instead of religion, since science is considered a source of truth while organized religion is not. Because alternative medicine stands between religion and science, it benefits from this migration toward science.

The rapid growth of alternative medicine during the past decade can be understood in a slightly different way. For much of the twentieth century, human unhappiness was thought to stem from definite external causes — for example, war, economic depression, fascism, communism, or some large, organized power that was physically abusive. Neither religion nor science was seen as necessary to ease this suffering; people simply needed to become politically active. But with the end of the Cold War, the successful conclusion of the civil rights movement, and the permanent acceptance of the democratic welfare state as the best model for society, we have reached a stage that one philosopher calls "the end of history," where the forces of abuse have been tamed and the need for politics muted. Those obvious external causes

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of suffering having diminished, the age-old internal ones have resurfaced and regained their prominence in the human psyche. These internal causes of unhappiness are like elemental forces that have no name, and those people who suffer at their hand suddenly feel powerless because now misfortune has no clear remedy. Political strategies are no longer appropriate, religion has long ago been discredited, allopathic medicine seems too extreme, and so people turn to alternative medicine for relief.

A policy toward alternative medicine

If a thoughtful debate on alternative medicine policy does not take place now, in another five to 10 years it will be too late. The subject will get divided up among intellectual and economic interest groups, causing both a liberal and a conservative orthodoxy to arise. Creative thinking will become politically impossible (the way it has on the issue of drug legalization), and policymakers who try to move beyond orthodoxy will be considered suspect for their deviations.

Signs of ossification are already evident. Among conservatives, the subject of alternative medicine now elicits chuckles and disdain. Influential writers like Dr. Sally Satel and Samuel McCracken have aroused suspicion that alternative medicine is at best a harmless sham, and maybe worse, an important new front in the culture wars. Writing in the June 1999 *Commentary*, McCracken calls alternative medicine "the new snake oil." Satel reports in *P.C., M.D.* (Basic Books, 2000) how some feminist medical practitioners promote alternative medical therapies like "healing touch" in order to undermine what they contemptuously refer to as "patriarchal" (allopathic) medicine. There is a kernel of truth in Satel and McCracken's criticism of alternative medicine. But the goal of policy should be to separate the legitimate from the illegitimate.

Policymakers should look at the treatment modalities of alternative medicine on a continuum between science and religion. They should adjust their recommendations according to where on that continuum a specific modality lies.

Closest to established science are those treatments in which patients do not have to believe in order for the treatment to work. One example is acupuncture. Acupuncture works not only on adults, but also on babies and even animals, especially in the area of pain management. Babies and animals lack the capacity to believe — the placebo effect is not operative in their case — and so the use of acupuncture is no different from the use of penicillin to treat an infection (i.e., the patient does not have to believe in penicillin in order for it to work). There is a science to acupuncture that transcends culture and the psychological disposition of patients.

In one case I am familiar with, a woman requiring an emergency Caesarean section had both an extremely difficult airway and a deformed

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spine, making both general and spinal anesthesia impossible to perform quickly. Because the baby was dying inside the uterus and time was of the essence, the doctor performed acupuncture anesthesia by placing a long needle up the midline of the patient's abdomen. The needle, along with some intravenous sedation, helped the patient get through her surgery, thus enabling her baby to be delivered as quickly as possible.

Herbal medicine may provide similar medical benefits. Herbal drugs interact physically with human bodies. They are not simply persuasive words. If they work, they may do so because of the placebo effect or because of a potent biochemical reaction that is not yet understood. The need for faith in herbalism may be slight.

Acupuncture and herbal medicine are worth investigating. The National Center for Complementary and Alternative Medicine (NCCAM) housed in the National Institutes of Health (NIH) exists to conduct research on the value of alternative medicine. Yet such research has been poorly funded (NCCAM's budget in 1999 was only $50 million), in part because the NIH is ambivalent about alternative medicine. For many of the hard-core scientists at the NIH, much of alternative medicine seems ridiculous. The NIH should not allow a general prejudice against alternative medicine to color its judgment of specific modalities that may be just a half-step away from established science.

Because herbal products may contain bioactive substances, and therefore may work through more than just the placebo effect, consumers have the right to know the quality of the herbal products they are purchasing over the counter. The Food and Drug Administration (FDA) does not now have regulatory authority to evaluate the herbal products sold to consumers. Such regulatory authority should be granted, especially since initial research has shown herbal products to have real biochemical effects.

In an article in the August-September 2000 *Policy Review*, authors Henry I. Miller and David Longtin recommend a nongovernmental regulatory regime because of the inefficiency so pervasive in bureaucratic officialdom. In Europe, for example, nongovernmental regulatory agencies allow new medical products to enter the market in half the time it takes in the United States. But since most herbal therapies are not complex products, the difference in efficiency between the governmental and private agencies that might test them would be small. Nor are herbal products trying to make their way onto the market for the first time; on the contrary, many herbs have been in use for thousands of years. Since the FDA is already in the business of evaluating drugs in this country, it seems reasonable to extend its authority to include herbal medicine.

I am not recommending that herbal products become available only by prescription. I am merely stating that if herbal products worked only on belief, then their purity would not matter, but since there is evidence that herbal products may cause predictable biochemical reactions and that these reactions may form the basis of the herbs' salutary effect, assurance of the

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purity of herbal preparations would be appropriate.

Another issue surrounding this group of treatment modalities is the licensing of providers. Currently in the United States there are roughly 10,000 licensed acupuncturists, 10,000 naturopathic physicians (i.e., providers for whom herbal medicine is a mainstay of practice), but over 700,000 allopathic physicians. Moreover, the licensing for acupuncturists and naturopathic physicians varies from state to state (naturopathic physicians, for example, are licensed in 11 states) while allopathic physicians are licensed in every state. Many allopathic physicians are now interested in alternative medicine for reasons described in this essay, and they have the power, numbers, and prestige to take it over. As Dr. Marc Micozzi, a leading expert on alternative medicine has noted, the model may one day be that allopathic physicians are the gatekeepers to all alternative medicine providers — that in order to see a naturopathic doctor or an acupuncturist, a consumer will have to get a referral from an allopathic physician. This is assuming that physicians do not practice these arts themselves, which in the future may be less often the case.

The model may one day be that allopathic physicians are the gatekeepers to all alternative medicine providers.

Such a takeover of alternative medicine should be discouraged. The process of licensing nonallopathic acupuncturists and naturopathic doctors should go forward, and consumers should retain easy access to both. These providers made alternative medicine popular with the public by emphasizing those aspects of personal doctoring that were abandoned by the medical profession. They emphasized human relationships and took time to talk with their patients. If allowed to absorb all of acupuncture and herbal medicine, the medical profession might inflict the same damage on alternative medicine that it inflicted on scientific medicine. Treatment modalities would be turned into mere scientific tools, while the humanist element surrounding their use would be effaced.

Lying in the middle of the continuum that stretches from medical science to religion are those alternative medicine treatments that are part faith and part questionable science. Included in this category are energy medicine and healing touch. The idea that human beings are composed of energy fields and that a person's energy can be "balanced" or "decongested" is revolutionary. If proven true, it would overthrow the paradigm that has governed medical science for over a century.

Perhaps there is a science to energy medicine. Yet it is equally possible that energy medicine works only because patients believe in it. Because governmental resources are finite and nothing prevents universities and research labs from exploring energy medicine, this treatment modality should fall below acupuncture and herbal medicine in NIH funding priorities. This is

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especially true since acupuncture and herbal medicine are physical contact remedies, and so present a small but finite risk to patients. Healing touch, where a provider runs his or her palms one to six inches above a patient's skin, presents no risk. The government's obligation to consumers is first to clarify the value of those treatment modalities that have a risk, no matter how infinitesimal, before exploring those modalities that pose no risk but are intellectually stimulating to researchers.

But there is a benefit to clarifying the value of healing touch and other energy therapies. The economy of the operating room would certainly improve. Several times, I have delayed the induction of anesthesia by 20 minutes while a healing touch therapist "scraped" away negative energy from my patients. The blood pressure cuff and EKG were going, my hands were filled with syringes, the patients were being billed for expensive operating room time, but both the surgeon and I had to wait until the touch therapy was completed.

Finally, there are alternative medical therapies that lie on the continuum at the very border of religion. These modalities require the active psychological participation of patients, and for all practical purposes, work on faith alone. Included in this cluster of therapies are transcendental meditation and the supernatural aspects of religious healing traditions, as well as alternative therapies like humor and dance, which are simply applications of everyday cultural life.

Government support of these religious treatment modalities would violate the separation of church and state. At a recent alternative medicine conference, prayer was described as valuable therapy. That may be true, but for government to involve itself in every worthwhile aspect of religion under the guise of promoting health would violate the Constitution. Government support of dance and humor therapy would cause similar problems. The outcome would be a society that creates a ministry of culture in the name of good health and then funds comics and dance classes to increase the longevity of its citizens. The whole notion is ridiculous. These branches of alternative medicine are best left to the providers and patients who think them worthwhile.

Alternative medicine stands between medical science and organized religion, and therefore stands between what is known and what is unknown. Patients are fleeing the medical profession because doctors concentrate on rational knowledge at the expense of life's mysteries. Organized religion concentrates exclusively on the unknown, and therefore seems to know nothing. In alternative medicine, people have discovered a compromise. Considering that the two great misfortunes of life are illness and gloom, any discipline that promises to ward off both in a single stroke will not go away soon. Policy toward alternative medicine should be crafted in light of this truth: thoughtfully and sensibly, yet with a degree of sympathy toward those who have found something of value in alternative medicine.

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The Fed's Depression and the Birth of the New Deal

"Market Failure" Reconsidered

By PAUL CRAIG ROBERTS AND LAWRENCE M. STRATTON

ACCORDING TO NEW DEAL HISTORIANS, capitalism failed in the 1930s. What, then, is it doing flourishing in the United States, Britain, and Europe and taking root in Latin America and China, where it was never previously present? For the past 20 years there has been a large and growing incompatibility between the verdicts of historians and the performance of capitalism.

In 1981 the United States reduced tax rates and reined in money growth. For two decades the economy has experienced an economic boom characterized by large income gains, high employment, and negligible inflation. In the U.K. similar reforms introduced by Margaret Thatcher have produced similar results. Heavily socialized countries such as France, Italy, and Spain have abandoned public ownership and privatized their economies. Political regimes in Eastern Europe and the Soviet Union, where a planning model

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had operated, failed both economically and politically and collapsed. Capitalism has appeared in Latin America and has taken hold of the Mexican, Chilean, and Argentinean economies. Even China's rulers have found it necessary to risk their political power by endorsing markets and private property in order to participate in the global economy.

Big government (in terms of its presence in the economy) is everywhere in retreat. A Democratic president, Bill Clinton, declared that "the era of big government is over." Yet the history books and much analysis of public policy during the 1930s remain unadjusted and still proclaim the failure of capitalism. The disconnect between historians and reality grows with each passing day, because historians cannot explain the Great Depression except in terms of capitalism's failure.

The Great Depression was not a failure of the old order. It was the failure of the new order that had just begun.

Historians came to the subject with views colored by the despair of the Depression and by a belief in the efficacy of government action. This belief had been growing ever since Jeremy Bentham introduced it into the English-speaking world in the late eighteenth century. Successes attributed to the fledgling communist government in Russia and the rise of fascism in Italy led many to believe that government-directed economy was the wave of the future. This belief was kept alive into recent years by claims made for French "indicative planning" and Japanese "industrial policy."

But historians could not have failed so badly in their judgments if economists had been able to explain the Great Depression. And economists could not. It was not until 1963, when the National Bureau of Economic Research published Milton Friedman and Anna Schwartz's monumental study, *A Monetary History of the United States, 1857-1960*, that an economic explanation of the Depression appeared. This was not a propitious time for the authors. The belief in market failure had had three decades to harden into an unchallenged orthodoxy, one reinforced by exaggerated claims for Soviet economic performance under central planning. Moreover, Friedman and Schwartz's analysis was keyed toward explaining inflation and recession in terms of the behavior of monetary aggregates. Their account of the Depression is in one chapter and has to be fashioned out of copious material by the reader's own mind. Although their work and its implications became known to many economists, it appears to have had scant impact on historians or on the public's understanding of the Great Depression.

A country that doesn't understand its own history is not well equipped to deal with its future. The Great Depression was not a failure of the old order. It was the failure of the new order that had just begun.

The Federal Reserve is the most powerful institution of a new order that

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believed in the efficacy of government and its ability to do good. The same Federal Reserve caused the Great Depression when its wise men made a series of cumulative mistakes that contracted the money supply by one-third and wiped out purchasing power in an unprecedented fashion.

Economists could not at first explain the Depression because they were unaware of the dramatic shrinkage in the quantity of money. It was not until Friedman and Schwartz dug into the facts that the culpability of the Federal Reserve became known. Moreover, most economists found this culpability to be unwelcome information. In the 1960s economists were uniformly Keynesian in outlook. They were emotionally supportive of government intervention, and their human capital was invested in policies that rested on their belief in the effectiveness of government action. Although they could not refute the evidence, they did not warmly endorse the revelation that the Fed had caused the Great Depression.

So the great disconnect remains between the history books and the success of capitalism. By the mid-twentieth century, no country thought it could succeed with capitalism. By the beginning of the twenty-first century, no country thinks it can succeed without it.

Mistakes play a dramatic role in history. The Fed's mistakes led to others even more serious — the New Deal and the massive delegation of legislative authority that breached the separation of powers. Here, then, is the history of those terrible mistakes, offered in the hope that it will challenge historians to abandon their ideologies, return to their craft, and give us a history that will better guide our future.

The economics of the Great Depression

In one of the great paradoxes of human history, a federal regulatory institution — created for the purpose of stabilizing the banking system and, thereby, the overall economy by functioning as a lender of last resort — caused the worst depression in our history. President Woodrow Wilson promised that the Federal Reserve Act of 1913 would provide the economy with a "Supreme Court of Finance" that would ensure the liquidity for economic growth and prosperity. Instead, the Federal Reserve collapsed purchasing power and forced 25 percent of the workforce into unemployment. The inattention and incompetence that caused this disaster are so great as to warrant, in the words of economist Clark Warburton, "a charge of lack of adherence to the intent of the law."

This massive destruction of liquidity began when the Federal Reserve responded to the 1929 stock market crash by allowing the quantity of money to decline by 2.6 percent over the next year. This extremely tight monetary policy put the economy into severe recession.

All that was needed to turn the economy around was for the Federal Reserve to add to bank reserves by purchasing government securities. This

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would have expanded the money supply and was the policy called for by the Federal Reserve's charter. Instead, the Federal Reserve made another mistake.

The most important charge in the Federal Reserve's charter is to be a lender of last resort. This means that when a bank is in trouble and cannot meet its depositors' demands for cash, the Federal Reserve must provide the liquidity. Otherwise, panic from inability to withdraw funds can spread throughout the banking system, forcing banks to disrupt business and shrink the money supply by calling loans and reducing deposits. The main rationale for creating twelve Federal Reserve District Banks was, as Sen. John Shafroth, Colorado Democrat, put it:

> no bank should be more than one night's train ride from its Federal Reserve bank. In cases of a run on his bank, a banker could gather up his commercial paper with maturities of thirty, sixty and ninety days, catch the train and be at the Federal Reserve Bank by morning, discount his notes and wire his bank that there was plenty of money to pay depositors. To place Reserve banks more than a night's train ride from the member banks it served would make it impossible to meet one of the very needs for which it was designed.

When a bank exhausts its vault cash, it needs to raise more by selling (discounting) its loans to the Federal Reserve or by selling bonds from its investment portfolio to the Federal Reserve. The most direct way the Federal Reserve can provide liquidity is to conduct open market operations and purchase bonds from the banking system.

The Federal Reserve was derelict in this responsibility during the three banking crises that culminated in the Great Depression. Indeed, more often than not the Federal Reserve sold bonds and raised the discount rate, thus reducing banking liquidity when it should have increased liquidity. The first banking crisis began in the autumn of 1930 when the Federal Reserve stood aside and permitted banks to fail in the South and Midwest. The result was to undermine confidence in banks. Runs on banks spread as depositors rushed to convert their deposits into currency.

By December the Bank of the United States in New York closed from inability to meet depositors' demand for cash. The bank was sound, as evidenced by its ability to pay off depositors 92.5 cents on the dollar when it was liquidated during the worst of the Depression. If the Federal Reserve had done its job, the bank would have remained open. The bank's size and official-sounding name meant that its failure frightened depositors all over the country and led to a general run on banks. By the time it was over, hundreds of banks had failed, reducing the money supply by the amount of their deposits.

The second banking crisis began in the spring of 1931 when the Fed stood aside negligently while banks reduced their lending in order to meet their depositors' demands for cash. By August commercial bank deposits

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had shrunk by 7 percent, a further contraction in the supply of money. Then in September, in response to the British leaving the gold standard, the Fed further deflated a deflating economy by pushing through the biggest hike in the discount rate in history. This extraordinary mistake caused commercial banks to stop their use of the discount window and to hoard cash in order to meet rising withdrawals stemming from the public's declining confidence in banks. As Milton Friedman and Anna Schwartz put it, this put the famous multiple expansion of bank reserves into vicious reverse. By January 1932 bank deposits had declined another 15 percent. Large monthly declines in the money supply continued through June 1932.

The commercial banks' response to the Federal Reserve's failure to act as lender of last resort was to accumulate excess reserves in order to meet depositors' demands for cash without jeopardizing the banks' loan portfolios. The Fed's negligence left banks with unacceptable alternatives to hoarding cash — discounting their loans at a loss or calling loans that could force cash-strapped borrowers into bankruptcy. The Fed foolishly misinterpreted the excess reserves as a sign of an easy monetary policy and took no action to ease the tremendous pressures on the banking system and supply of money.

In January 1933 the three-year banking crisis entered its final phase.

In January 1933 the three-year banking crisis brought on by Federal Reserve mismanagement of the money supply entered its final phase. This time the Federal Reserve System itself panicked. Banks were failing because they could not meet frightened depositors' demands for cash. Statewide bank holidays spread. By March 1933 bank holidays (during which banks were not required to meet their obligations to depositors) had been declared in about half of the states. The Fed responded to these events by again raising the discount rate, making it harder for banks to meet the cash demands of depositors. From January to March the money supply fell dramatically. On March 4 the Federal Reserve Banks themselves closed. Examining this gross negligence 30 years later, Friedman and Schwartz concluded: "The central banking system, set up primarily to render impossible the restriction of payments by commercial banks, itself joined the commercial banks in a more widespread, complete and economically disturbing restriction of payments than had ever been experienced in the history of the country. One can certainly sympathize with President Hoover's comment about that episode: 'I concluded the Reserve Board was indeed a weak reed for a nation to lean on in time of trouble.'"

When banks reopened in mid-March, 15,000 out of 25,000 commercial banks remained. The collapse in the banking system wiped out bank deposits. The result was shrinkage of the money supply by one-third and a severe depression that dramatically altered the U.S. Constitution and the character of our government. President Franklin D. Roosevelt's New Deal,

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the massive delegation of legislative authority to newly created executive branch regulatory agencies, and the supplanting of the public's faith in the market system by faith in government intervention all have their origin in these Federal Reserve mistakes.

The coming of the planners

THE GREAT DEPRESSION'S most serious and long-lasting consequence was not the collapse of prices and employment, but the displacement of the traditional reliance on individual responsibility with government guarantees of security. Beginning with Social Security, these guarantees have grown into the all-encompassing welfare state.

This has changed the character of the American people, and it has changed the character of their government. Together with the growth in government income support programs came growth in government power. From a few basic agencies regulating monopolies, railroads, and food processing, federal presence in the economy has expanded to about 150 agencies, a growing number of which have independent police powers. Most of this burgeoning regulatory activity was justified by the belief that the unregulated market was the cause of the Great Depression. As Roosevelt put it in his inaugural address:

> The rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

Business "self seekers without vision" were accused of "callous and selfish wrong-doing" and scapegoated.

The Great Depression was a life-saver for the political left displaced by 1920s prosperity. The prosperity caused by the limited government of Calvin Coolidge and Andrew Mellon had shoved intellectual schemers off the U.S. political stage. As E. Digby Baltzell noted in *The Protestant Establishment*, Protestants gave up intellectual pursuits and moved to Wall Street. Left-wingers enamored of the use of government power to improve society went off to pay their homage to the new Soviet state. Leftovers from the progressive era were demoralized by the workers' contentment with Coolidge prosperity. Their spirits lifted as the country sank into depressionary gloom.

As prices sank and unemployment soared, blue collar workers, farmers and businessmen alike all looked to Washington for aid. On June 24, 1931, *Business Week* magazine poked fun at laissez-faire, "the legend of an 'automatic equilibrium' upon which we can rely." In an editorial, "Do You Still Believe in Lazy-Fairies?" the magazine concluded that planning had to replace the market.

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"Why should Russians have all the fun of remaking a world?" asked Stuart Chase in his book, *A New Deal*, published in 1932. Like other progressives, Chase was convinced by Soviet propaganda of the efficacy of government planning. During the 1920s Chase and Lewis Mumford led the Regional Planning Association, a group of economists and engineers enamored of social management of unified geographic areas.

Planning quickly became the intellectuals' solution to unemployment and idle factories. Indeed, there was such a predilection for planning that the intellectual class, whose job it was to analyze the situation, remained willfully blind to the drastic monetary contraction before their eyes. On the eve of the new regulatory era and birth of the administrative state, no progressive was going to admit or acknowledge that the first foray into control by experts — monetary management by the Federal Reserve — had quickly produced the worst depression in history.

Progressives were quick to invoke science in behalf of their planning and coordination schemes.

With a planning and regulatory agenda waiting in the wings, it was convenient to blame the Depression on the breakdown of the unregulated market, on private property and private profit, on "cutthroat competition," on an unequal distribution of income, and on distrust of government.

Progressives were quick to invoke science in behalf of their planning and coordination schemes. The few skeptics were promptly branded "stupid men." Rule by wise elites, Chase thought, "may entail a temporary dictatorship." Chase dressed it up as "the Third Road" between dictatorship of the red (Communists) and the black (Big Business). In his inaugural speech, Roosevelt actually threatened Congress with a dictatorship if all else failed in the "war against the emergency."

Chase's call for a new deal was picked up by FDR in his speech accepting the presidential nomination of the Democratic Party. Roosevelt's advisors were called "the Brains Trust" of New Dealers. In practice New Deal policies were ad hoc, but there was undeniably a common thrust.

This common thrust was to overturn the "nondelegation doctrine." Prior to the New Deal, elected representatives crafted the law in detail. The New Deal's expansion of government activities and regulatory authority changed this. Today a "statute" passed by Congress and signed by the president is nothing but an authorization for "expert" regulators to legislate. This practice, formerly impermissible, has been upheld by the federal judiciary, which routinely gives great deference to the regulatory agency when interpreting the law.

But in the 1930s, this great expansion of executive branch powers raised numerous constitutional issues. The federal courts balked at the regulatory intrusions into business relationships. The New Dealers were infuriated that

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the judiciary, "locked in horse and buggy days," was rejecting the emergency measures. Constitutional issues were reduced to "nine old men" who stood in the way of remaking a broken society. Roosevelt finally overcame the judiciary's constitutional scruples with his threat to pack the Supreme Court with New Dealers.

Roosevelt succeeded in adjusting the Constitution to "extraordinary needs" because he won the propaganda war. The public accepted Roosevelt's depiction of constitutional scruples and economic rights as expressions of reactionary interests. Thus, just as the public was misled by elites as to the cause of the Depression, the public was deceived about the cure. The modern American administrative state was born in this failure of the intelligence and integrity of American elites.

The public was misled by elites as to the cause of the Depression and deceived about the cure.

Once the dike of judicial resistance was broken, the programs came fast and furious. New Deal statutory creations included: the Emergency Banking Act (1933), the Economy Act (1933), the Federal Securities Act (1933), the Tennessee Valley Authority (1933), the Civilian Conservation Corps (1933), the Federal Emergency Relief Administration (1933), the Glass-Steagall Act (1933), the Civil Works Administration (1933), the Public Works Administration (1933), the National Recovery Administration (1933), the Agricultural Adjustment Administration (1933), the Farm Credit Administration (1933), the Federal Housing Administration (1934), the Gold Reserve Act (1934), the Reciprocal Trade Agreements Act (1934), the Works Progress Administration (1935), the Public Utilities Holding Company Act (1935), the Social Security Act (1935), the National Labor Relations Act (1935), the Soil Conservation and Domestic Allotment Act (1936), the National Housing Act (1937), the Farm Security Administration (1937), and the Fair Labor Standards Act (1938).

These acts altered the relationship between employees and employers, between businesses and their customers, between state and federal governments, between citizens and the state, between owners and their property, and between individual and collective responsibility. The gold specie backing for money was terminated, and redistribution was made the basis of democratic politics.

This radical alteration of legal rights and political relationships was met with 1,600 federal court injunctions preventing executive branch officials from implementing unconstitutional New Deal laws. The tide turned for Roosevelt with his reelection in 1936, which allowed him to claim a mandate to reject the judicial rulings. The next year he exercised the mandate by sponsoring a bill to pack the Supreme Court.

The bill failed in Congress by a narrow margin, but Justice Owen J.

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Roberts, a Republican, lost his nerve and acceded to Harvard Law Professor and later New Deal Justice Felix Frankfurter's importuning to be "the switch in time that saved nine." The votes remained 5-4 but the majority switched to the New Deal side.

The four main issues before the courts were the delegation by Congress of lawmaking powers to the executive branch, the New Deal redefinition of all economic activity as interstate commerce subject to regulation, new takings of private property as a result of agricultural allotments and price controls, and the gutting of the Tenth Amendment, which reserves to the states all powers not expressly given to the federal government by the Constitution. The federal government ceased to be restrained by the U.S. Constitution and became whatever the New Dealers wanted it to be. As Justice George Sutherland observed at the time, this revolutionary change did not occur through constitutional amendment but as a result of changes in the attitudes of a few men.

To what effect? As the textbook *American Legal History, Cases & Materials* (1996) acknowledges, "Despite the rich harvest of legislation and the rapid growth of the new administrative network in Washington, the Great Depression persisted." The New Deal legislation had no significant impact on the Depression.

The popular case

THE NEW DEAL lawyers thought of themselves as reformers. The Depression was attributed to the old order. Arthur M. Schlesinger Jr. dedicated his life to promoting this view. *The Crisis of the Old Order* is the first volume of his trilogy, *The Age of Roosevelt.*

But the Great Depression *was the crisis of the new order*. The Great Depression was the product of the first institutional creation of the new regulatory order and most certainly could not have happened without the creation of the Federal Reserve System. Until the Federal Reserve came into being, it was not possible for regulatory mismanagement to shrink the money supply by one-third. This Pulitzer Prize-winning historian gives an account of the Great Depression that leaves the Federal Reserve's contraction of the money supply out of the story!

In Schlesinger's crude rendering, unregulated business greed caused the Depression. He argues that "the central economic challenge" of 1920s prosperity "was to distribute the gains of productivity in a manner that would maintain employment and prosperity." If the price and market systems had been working, prices would have fallen and/or wages would have risen. But Schlesinger says that business concentration had made the price system sluggish. Consequently, the rising productivity pushed up profits, which pushed up stock prices and brought on speculation. The Mellon tax cuts "served to make more money available for speculation," as did Federal Reserve policy.

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Greed leveraged the speculation with loans until the edifice collapsed.

Let us assume that Schlesinger's account is correct. It would explain the stock market crash — but not the contraction in the money supply that caused the Depression. Twenty-five percent of the labor force was not forced into unemployment because of a correction in the value of narrowly held assets.

New Dealers are schizophrenic about concentration, both of business and of wealth. Stuart Chase believed business concentration facilitated planned economic management, but Schlesinger blames concentration for excessive profits. Wealth concentration was blamed for preventing a healthy diffusion of buying power, thus leaving goods unsold.

Schlesinger offers no explanation or transmission mechanism by which a reduction in the wealth of rich people (with excessive savings), perhaps some 60,000 families, caused a gigantic depression. Looking back from a Keynesian standpoint, Schlesinger blames Hoover's frugality for letting pass the opportunity to check "the cumulative forces of breakdown" with "a small amount of spending." Schlesinger also blames the government for ignoring the "imbalance between farm and business income," the imbalance between wages and productivity, and imbalances in the banking and financial systems. "Seeing all problems from the viewpoint of business, it had mistaken the class interest for the national interest."

The economy failed, in Schlesinger's account, because government served the narrow interests of business. Missing from his list of imbalances is the crucial imbalance of money. Schlesinger writes that President Wilson

> had established the Federal Reserve System as a means of steadying the economy. The System had two chief instruments of credit policy. Through open market operations, it used the purchase or sale of government securities to alter the reserves of member banks and thus enlarge or contract the base of the money supply. Through the discount rate, it made the money supply tight or easy by raising or lowering the rate at which banks borrowed from the Federal Reserve.

There is something remarkable about Schlesinger's lack of curiosity about how the Federal Reserve performed this important role during the critical period 1929-33. In the Federal Reserve he had a newly created regulatory institution, a product of progressive politics, with more power than all New Deal agencies combined. Was the Fed expanding or contracting bank reserves when bank failures were shrinking the money supply, causing dramatic imbalances between money, prices, and employment? Was the Fed raising or lowering the discount rate when banks had a desperate need for liquidity? These are the questions on which all turns, yet Schlesinger did not address them.

If the Fed drove the economy into depression with inappropriate policy, where is the justification for New Deal confidence in the wisdom of regulators vested with new powers? On the other hand, if the Fed's actions were

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appropriate but unable to avert the Depression, where is the justification for the New Deal's belief in the power of regulation? If all that was needed to restore full employment was expansion of the money supply, what is the justification for the New Deal?

The cost of the New Deal

To those of us living in more knowledgeable times, Schlesinger's excitement over *The Coming of the New Deal*, the second volume of the *Age of Roosevelt* trilogy, is difficult to fathom. The New Deal legislation was ad hoc and the programs ineffectual in reducing unemployment. The basis of Schlesinger's excitement lies not in the efficacy of New Deal solutions but in the growth of government as such. In the third volume, *The Politics of Upheaval*, Schlesinger disposes of New Deal opponents as people lacking in compassion who are opposed to the utilization of government to provide economic security to the common man.

Yet the New Deal achieved a diminution in rights, not in unemployment. This became apparent by 1942, when Ohio dairy farmer Roscoe Filburn was prosecuted successfully by the compassionate federal government for violating the Agricultural Adjustment Act by growing grain for his family's direct use. In a unanimous decision, the now-tamed Supreme Court ruled that Filburn had engaged in interstate commerce by not engaging in it. Filburn, the Court ruled, should have purchased the grain with which he fed his cows, chickens, and family, not raised it himself. In order to permit the federal government a wide range of action, New Dealers destroyed the doctrine of enumerated powers.

This constraint on federal power had to be removed if New Dealers were to deal with the "national emergency" by expanding Washington's reach. The removal of this constraint meant that federal power came to occupy territory formerly inhabited by individual rights. Principal among these lost rights are the protections the Constitution gives to property and to contracts. The result has been an explosion in economic regulation and uncompensated takings of various uses of private property. With the onset of the New Deal, government abandoned its function of securing property and began violating it in the interest of redistribution and "worthy goals." Today property rights are tenuous. They are gradually diminishing as government regulation increasingly dictates an owner's use of property.

The New Dealers put their trust in government, not in the Founders' Constitution. Roosevelt told the chairman of the House Ways and Means Committee in 1935, "I hope your committee will not permit doubts as to constitutionality, however reasonable, to block the suggested legislation." New Dealer Rexford Tugwell said that New Deal policies "were tortured interpretations" of the Constitution in support of actions that the framers "intended to prevent."

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This constitutional revolution was, as Justice Sutherland said, the work of a few men. The elites entrusted with government wanted a bigger stage. They used the fear and economic uncertainty that afflicted the population to get it. The New Deal was not Congress's idea. Nor was it the people's. Paradoxically, the New Deal discredited democracy, especially in the eyes of those who most love liberty. Today, libertarians, eloquent in their denunciations of the New Deal, blame the people and, hence, blame democracy for doing the wrong thing. Today every camp has an agenda, which it hopes to implement by seizing control of the judiciary, not by persuading the public. Coercion of the public is the preferred, or trusted, method of change.

Coercion becomes increasingly arbitrary as time passes. Its arbitrariness provokes anger, resistance, and reaction by the public. When farmers are harassed by Environmental Protection Agency officials for cleaning drainage ditches or maintaining dikes that protect fertile bottom-lands, and ranchers are indicted for protecting their livestock or their own lives from a marauding endangered grizzly, respect for authority declines.

The Great Depression and its offspring, the New Deal, could both have been avoided if the Federal Reserve had performed the task assigned to it.

Consider the expanded police powers of federal regulatory agency personnel. According to the U.S. Department of Justice, "As of June 1996 Federal agencies employed about 74,500 full-time personnel authorized to make arrests and carry firearms." Only 60 percent of these armed agents are in agencies that the public associates with police powers — the FBI, U.S. Marshals, Bureau of Alcohol, Tobacco, and Firearms, federal prison guards, immigration border guards, Drug Enforcement Administration agents, and the U.S. Secret Service. Americans should be amazed that the Internal Revenue Service, the Small Business Administration, the U.S. Railroad Retirement Board, the Social Security Administration, the General Services Administration, the Environmental Protection Agency, the U.S. Fish and Wildlife Service, the Army Corps of Engineers, the U.S. Forest Service, the National Aeronautics and Space Administration, the Federal Deposit Insurance Corporation, and the Departments of Health and Human Services, Agriculture, Labor, Housing and Urban Development, Education, Transportation, Veterans Affairs, Energy, Interior, and Defense all have federal officers authorized to carry firearms and make arrests.

This proliferation of federal police forces mirrors our lost rights. Consider the sanctity of contract. In 1934, the Supreme Court vitiated, over the dissent of Justice Sutherland, joined by Justices James C. McReynolds, Willis Van Devanter, and Pierce Butler, the contract clause of the U.S. Constitution.

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This clause, "No State shall . . . pass any . . . Law impairing the Obligation of Contracts," was put in by the framers for the express purpose of forbidding state governments from rewriting contracts in favor of debtors, especially in time of financial distress. The framers viewed this practice, in which states had engaged after the Revolutionary War, to be reprehensible and undermining of the rights of property. Property has no protection when contracts can be vitiated.

In 1933 Minnesota responded to the economic crisis by protecting mortgage debtors (mortgagors) in default from foreclosure. No compensation was offered the equally straitened lenders. The purpose of a contract is to protect the parties from a lack of performance by either party to the contract. The Minnesota law constituted an uncompensated taking of this core constitutional protection, thus leaving future contracts subject to being rewritten in the interest of the nonperforming party. As Justice Sutherland observed, "If the provisions of the Constitution be not upheld when they pinch as well as when they comfort, they may as well be abandoned."

If the federal government had wanted to protect mortgage debtors, it could have printed money and paid down the mortgages. This would have harmed no one, and it would have stopped the monetary deflation. The increase in the money supply would have halted the deflation that was the source of the problem. But the proclivity in favor of actions directed against business blinded policymakers to the real cause of the crisis. Indeed, the mortgage debtors and everyone else were in trouble because the Fed failed to protect the supply of money.

The road not taken

THE GREAT DEPRESSION and its offspring, the New Deal, could both have been avoided if the Federal Reserve had performed the task assigned to it. All the Federal Reserve had to do to avoid the Depression and the subversion of the American constitutional order was to purchase $1 billion in government securities during the 10-month period from December 1929 to October 1930. The result would have been an increase, instead of decrease, in high-powered money, and the banking crisis that began in the autumn of 1930 would not have occurred.

Without this initial decline in the supply of money, the public would not have lost confidence in the banks, and the banks would not have become concerned about their own safety. This would have removed the causes of the second crisis — the run on banks and the reduction in bank lending to meet depositors' demands for cash. It was still not too late for minor action by the Federal Reserve to prevent the disaster. Friedman and Schwartz calculate that if the Federal Reserve had increased its security holdings by $1 billion during the first eight months of 1931, these purchases would have offset the drain of currency from the banking system and increased bank reserves.

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The increase in bank reserves would have freed banks from the necessity of strengthening their reserve positions at the expense of money supply growth. By its failure to protect the reserves of the banking system, the Federal Reserve caused a second decline in the supply of money. As Friedman and Schwartz note, a $1 billion purchase program by the Fed would probably have prevented the second banking crisis, but even if it had not, the open market purchases would have completely eliminated the crisis's effect on the money supply.

Even after the second banking crisis, it was still not too late for the "wise regulators" to awake to the responsibilities in their charter. If the Federal Reserve had purchased $1 billion in government securities between September 1931 and the end of January 1932, it would have more than offset the decline in bank reserves that caused a multiple contraction in bank deposits. As Friedman and Schwartz show, "only a moderate improvement in the deposit-currency ratio" would "have enabled the stock of money to be stable instead of falling by 12 percent."

The Great Depression occurred because the Federal Reserve missed every opportunity to take active measures to ease the internal drain on bank reserves.

The Federal Reserve did not fail in its responsibilities because central banks did not know how to stop panics. Indeed, the prescription is in the Fed's charter. Walter Bagehot described the appropriate policies in a famous book published in the nineteenth century. The Bank of England stopped the panic of 1825 by doing exactly what the Federal Reserve should have done in 1930. The Fed failed because of "committee work" and personal rivalries and jealousies. Moreover, the existence of the Fed prevented banks from using measures taken in past panics, such as banding together to funnel reserves to troubled banks, or, when all else failed, taking concerted action as in 1907 to restrict payments of cash to customers. Banks would honor checks drawn by customers so that the payments mechanism could continue, but would not honor cash withdrawals except for regular purposes such as payrolls. By acting to prevent the loss of cash from the banking system, banks prevented the decline in reserves and multiple contraction of the money supply.

The Federal Reserve was formed to make such measures unnecessary. But the wisdom of regulators proved to be far short of the ability of bankers themselves to prevent panics from collapsing the money supply. By concentrating power over the money supply in a few hands, progressives greatly leveraged the power of mistakes. The New Deal and the Great Society are the unfortunate consequences of the progressives' trust in wise men and their lack of faith in the market. Now that the market has triumphed everywhere and its supposed greatest failure can be seen to have lain with the unwise actions of the wise men themselves, the legacy of the progressives looks more dubious than ever.

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The Democrats' Divide

Left-Labor v. *the New Democrats*

By ELIZABETH ARENS

AFTER ANY SIGNIFICANT ELECTION, factions within our political parties compete to lay claim to electoral victory or to disown defeat. In the case of our most recent presidential election, the closeness of the popular vote, the controversy surrounding the electoral college result, and the shifting political postures of the candidates — the Democratic candidate in particular — made the evidence especially malleable. Shortly after the election, therefore, a debate began about what lessons could be drawn from Al Gore's unsuccessful campaign. It took place — is taking place — between the two dominant ideological groups within the Democratic Party, one avowedly "centrist" in outlook, the other self-described as "progressive."

The centrist "New Democrat" argument was submitted by Al From, founder and CEO of the Democratic Leadership Council (DLC); Will Marshall, president of the Progressive Policy Institute (PPI), a DLC-affiliated think tank; the New Democrats' official pollster, Mark Penn; and their top

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intellectual, William Galston. On the other, progressive or "left-labor" side were Stanley Greenberg, the pollster Gore substituted for Mark Penn last summer; Ruy Teixeira, author of *America's Forgotten Majority: Why the White Working Class Still Matters*; and Robert Borosage, founder of the Campaign for America's Future, an organization created as a counterweight to the DLC. This was highly formalized debate, in which different combinations of these advocates squared off in a series of venues — a DLC-sponsored conference at the National Press Club, two consecutive issues of the progressive wing's magazine the *American Prospect*, and an issue of *Blueprint*, the DLC magazine, in which the left-labor faction made its case, and was rebutted, in absentia.

In the New Democratic view, Gore failed to capitalize on the general prosperity of the Clinton years.

The New Democrats proposed that Gore made a fatal blunder when, beginning at the Democratic convention in August, he adopted a more populist stance, captured neatly in the slogan "the people vs. the powerful," and promised to fight to protect the public against overweening corporate power. They argued that this message smacked of an outdated "Industrial Age" appeal which had little resonance for today's electorate — the growing numbers of suburban, upper-middle-class "wired workers" who fancied themselves neither the people nor the powerful and were wary of big-government solutions to their problems. In the New Democratic view, Gore failed to capitalize on the general prosperity of the Clinton years. Furthermore, he distanced himself from the success he and Clinton had in streamlining and "reinventing" government, instead offering a laundry list of new or expanded programs likely to create costly and irreversible entitlements.

The competing left-labor analysis began with the proposition that Gore did not actually lose the election, given the popular vote result, the Florida irregularities, and the intervention of the U.S. Supreme Court. (In fact, those on the left often add the Gore and Ralph Nader votes together to claim a substantial popular majority for "progressive politics.") Left-laborites argued that Gore was running a lackluster campaign until his convention transformation — that his populist turn gave him the only lead he held all year. They claimed that his promise to "fight for the people" was in large part responsible for the impressive turnout among the Democratic base — union members and blacks in particular. They proposed that a majority of Americans felt that the much-trumpeted economic boom had passed them by and that these Americans suffered from substantial economic instability and, relatedly, insecurity about health, education, and retirement. To the extent that Gore did underperform expectations, the left argued, this was due to failings not with the message but with the medium — Gore's appar-

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ent inability to seem "genuine" or to connect personally with voters — and to the "moral drag" on his campaign created by Bill Clinton's many scandals.

Arguments between the New Democrats and their adversaries on the party's left are nothing new. Clinton's reelection in 1996 was followed by a debate in the *American Prospect* featuring virtually the same cast of characters. (Should Clinton's victory be credited to his staking out of centrist territory — with welfare reform, budgetary restraint, and anticrime initiatives — in the second half of his first term, or to his defense of traditional social welfare programs against the axe-wielding GOP congressional hordes?)

The future of the Democratic Party is often held, not least by representatives of the two camps themselves, to rest on who "wins" this argument. Yet that is a simplistic way of looking at the intraparty debate. The dialogue is dynamic, not static. In fact, the "New" Democrats have grown old enough to have undergone significant ideological transformation since the term was first coined. Likewise, the left-labor wing of the party has been evolving, especially with regard to the relative weight placed on economic and cultural issues. This dialogue is, in effect, a creative force within the Democratic Party, the means by which its major centers of influence air their differences and establish priorities election-in, election-out.

Too far left

THE DEMOCRATIC LEADERSHIP COUNCIL was formed in 1985 after Ronald Reagan won a landslide reelection victory over Democratic nominee Walter Mondale, sweeping many formerly safe Democratic territories. The organization's early makeup was ideologically diverse, comprising neoconservatives, neoliberals concerned with better-functioning government, and, most prominently, Southern Democrats such as Al Gore, Chuck Robb, and Sam Nunn. What they shared was a dismay with the direction of the Democratic Party, which, since the 1972 McGovern-Fraser rules "opening up" the nomination process and the conduct of party affairs, had been taken hostage by a host of single-issue activist groups — peace advocates, environmentalists, black activists, feminists — all of whom demanded recognition and specific policy concessions in the party's political platform. The stances taken by these groups — championing radical social change, demanding affirmative efforts to make up for racial injustice, opposing American intervention abroad, favoring redistribution and environmental protection over economic growth — induced a steady flow of white middle-class voters to the GOP and threatened the Democrats' electoral viability, particularly in the South. Southern and Western congressional and local leaders, while less in thrall to the activists, were dragged down by the party's national message. Most of these politicians were far from laissez-faire free marketers, but they believed that they couldn't pursue

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an interventionist agenda because the voters had lost trust in their elected officials. Until the party changed its cultural image, until it was "inoculated on values," as the phrase went, progressive politics would languish.

The DLC's first project, therefore, was to reverse the changes in the nominating process that had led to activist control. The DLC endeavored to alter the composition of convention delegate groups so as to restore the influence of elected officials and party bureaucrats. DLC members were also responsible for the creation of a Southern regional primary, dubbed "Super Tuesday," which they hoped would yield a presidential candidate with political stances more amenable to Southern whites — someone who favored a strong defense, was committed to restoring economic growth, and praised majoritarian morals. When these structural changes proved ineffectual, as in the case of the former, or backfired, as in the case of the latter, the DLC changed its strategy. It turned to building a strong national organization by winning converts in states and localities, and to developing a more distinctive and systematic political philosophy and a more detailed set of policies for candidates to run on.

The New Democrats would emphasize responsibility, championing a national service project and reforming welfare so as to require work.

Through the work of its new think tank arm, the Progressive Policy Institute, and encapsulated in such documents as the "New Orleans Declaration: a Democratic Agenda for the 1990s," released in 1990, and the "New American Choice Resolutions," passed at the 1991 DLC convention, the DLC presented a set of political stances that would sharply distinguish their candidates from the party's liberal wing. While party activists talked of rights, the New Democrats would emphasize individual responsibilities, championing a national service project and reforming welfare so as to require work in exchange for benefits. They promised a tougher stance on crime and racial issues, basing their approach to crime on building up police forces rather than addressing "root causes," and provoking public disputes with Jesse Jackson to demonstrate their independence from minority leadership. Their economic message reflected an inclination toward free markets over regulation and protection, and toward decentralization and privatization rather than centralized control. It showed the influence of the more futurist outlook of the group's early neoliberal wing and also reflected the rise of a movement in both parties to find a "new paradigm" for the post-Cold War, postindustrial world — a politics that would "transcend the limits of the conventional left-right divide," in the words of a PPI annual report. At the same time, the DLC continued to dispute charges, voiced since the group's founding, that New Democrats were merely watered-down Republicans, and emphasized the

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continuity of their aims and principles with those of Democratic heroes such as FDR and Andrew Jackson.

It was on this platform that Arkansas governor and DLC president Bill Clinton made his 1992 run for the presidency. Faced with two candidates, Bush and Perot, to his right and a stagnant economy, however, Clinton also incorporated a more populist element into the campaign. "Putting People First" meant not only connecting, in the New Democratic style, with voters turned off by social liberalism, but also positive government action to invigorate the economy, including spending on research and development, job training, and physical infrastructure. And in his first two years in office, Clinton disappointed the DLC by appearing to cater to ethnic and other minority groups and by promoting an overly bureaucratic and centralized plan for health care reform. Chastened by the Republican success in the elections of 1994, Clinton returned to the New Democrat fold, passing welfare reform over the strong objection of the party's left wing. By then, also, the economic doldrums of the final Bush years were forgotten as the economy began not just to grow, but to grow strongly.

Moving up

JUST AS THE DLC originated in the Democrats' electoral problems of the 1970s and '80s, so the shift in New Democratic ideology over the course of the 1990s was a response to a perceived change in the electoral landscape. Specifically, it lay with the conclusion of several of Clinton's advisors, including the newly rehabilitated Dick Morris, that his best chance for reelection in 1996 lay not among the lower-middle to middle-class workers, the Reagan Democrats whom the DLC had hoped to restore to the fold through appeals to their traditional values, but with a growing population of upper-middle-class suburbanites. As it turned out, the determination to capture these voters, dubbed "wired workers" for their supposed familiarity with information-age technologies, meshed well with the ongoing effort of DLC-affiliated intellectuals to develop a "new paradigm."

In the 1996 DLC paper *The New Progressive Declaration*, this effort reached the level of a full political economy. It began with the linked concepts of globalization and the Information Age, two phenomena wired workers presumably understood and indeed had benefited from. Globalization, the paper argued, limited the control national governments could have over their own economic destiny, while the internet and other information technologies made large, centralized, bureaucratic structures obsolete. *The New Progressive Declaration* therefore demanded the decentralization, privatization, and voucherization of much of the federal government's sphere of responsibilities. Such a change would provide more effective government and would appeal to the new breed of self-reliant, capable, and independent voters. At the same time, however, the new suburban elec-

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torate was more cosmopolitan and socially tolerant than the DLC's old target audience, and was therefore less likely to be won over by moralistic, socially conservative appeals.

On this territory, the DLC continues to stand. In the 1998 premier issue of the DLC magazine *Blueprint*, William Galston argued:

> we can discern the rise of a new learning class of workers who will dominate at least the first half of the 21st century. They will be better educated, more affluent, more mobile, and more self-reliant. They are less likely to be influenced by (let alone submit to) large mediating institutions. Their political outlook and behavior will increasingly defy the class-based divisions of the old economy, and they will be increasingly skeptical of centralized, one-size-fits-all solutions.

He continued, "the heart of the middle class is shrinking — being hollowed out — not because poverty is on the march, but because millions of Americans are surging into the ranks of the upper middle class and wealthy." The "distinctive set of political views" held by this group included "being broadly tolerant in their social outlook" and wanting "active government protection of the environment." Subsequent issues of *Blueprint* have included a "Technology and the New Economy" issue, which, having more the feel of a McKinsey & Co. Powerpoint presentation than of a political magazine, espoused such principles as "Invest in Training," "Encourage Firms to Become Learning Organizations," and "Use Information Technology to Give People New Tools." Another issue, "Quality of Life: The New Battleground of American Politics," was devoted to such largely upscale suburban concerns as smog, gridlock, "livable communities," and "the suburban housing crunch."

In this way, the New Democrats and their adversaries on the party's left have switched some substantial political and rhetorical ground. The DLC's new orientation towards a more affluent, educated, suburban constituency has resulted in the abandonment of much of its middle-class moral majoritarianism. The group has backed away from earlier confrontational stances on race and other social issues, and has essentially ceded the culturally conservative lower middle class to the GOP. As From wrote in the January 2001 *Blueprint*:

> cultural conservatives backed Bush overwhelmingly, but they were never likely to support a Democrat in the first place. Polling going well back before the Clinton impeachment has found a substantial body of cultural conservatives, even among self-identified Democrats — who almost always vote Republican. Veering to the right on cultural issues to win these voters would take a heavy toll among other Democrats and swing voters. That, in the end, is the problem with a political strategy that mainly targets downscale working-class whites. The messages necessary to attract them — populist, class warfare oriented economics and cultur-

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al conservatism — are hardly popular with voters in the rising learning class.

In the same article, From argues that the Democrats must not "try to recreate the Industrial Age coalition of the mid-20th century that can never be put back together." Of course, however, holding together the disintegrating New Deal Democratic coalition was the original purpose of the DLC.

The newer left

INTO THIS POPULIST VACUUM marched the left-labor wing of the Democratic Party. Ruy Teixeira's *America's Forgotten Majority: Why the Working Class Still Matters*, a book which became the unofficial blueprint for the post-convention Gore campaign, argues that for all the talk of wired workers, the working class — with incomes of $35,000 to $75,000 and little or no college education — is still the largest, and has become the most politically volatile, segment of the population. Teixeira proposes that these downscale voters are fertile territory for the Democrats, as they face persistent insecurities regarding the continuing value of their skills and their ability to fund retirement, medical costs, and their children's education. However, he acknowledges that some of the Democratic Party's stances over time have created a "values problem" that it can overcome only by distancing itself from affirmative action and welfare, and by affirming work and equal opportunity. Rather than woo blacks and other minorities separately with special appeals and privileges, the Democrats should treat them as part of the broad working class. Thus persuaded that people in government shared their values, Teixeira explains, the white working class would be receptive to more "big government" solutions to their problems.

If this approach sounds familiar, that's because it is. Teixeira argues for the same strategy of "values inoculation" that the more economically populist New Democrats trumpeted in the mid-1980s. The switch here is brought into sharp relief by the fact that pollster Stanley Greenberg, an early DLC affiliate whose research was perhaps most responsible for the "inoculation" approach, is now attached to the left-labor wing. Greenberg's mid-1980s studies of Macomb County, Michigan, a working-class Detroit suburb that was once overwhelmingly Democratic but had come out strongly for Ronald Reagan, supported and crystallized just what Southern and other centrist Democrats had been saying for years: that white, blue-collar workers thought the Democrats were indifferent to their concerns and were preoccupied with the underclass and with racial minorities. The DLC embraced Greenberg's research, and he became their official pollster and an early advisor to President Clinton. Greenberg was replaced by Mark Penn before the 1996 election, however, after Clinton blamed him for overestimating public enthusiasm for a full health care overhaul. Since then, Greenberg has drifted

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steadily into the left-labor camp, where he can now be found sparring with Penn and the DLC, attacking the "rigid DLC pro-market formula," and promoting the new left-labor consensus: a "family-centered" politics which champions mainstream values (and the traditional family structure) and pledges to protect families against economic uncertainty with such government efforts as free job training, universal health care, and mandated employment policies favorable to working parents.

The prominence of people like Greenberg and Ruy Teixeira and of their family values rhetoric in the left-labor coalition represents a conspicuous shift for that group as well. Left-labor used to dismiss talk of values and culture as a meaningless distraction from the real issues of economic policy. Along these lines, in a 1993 *American Prospect* article, Jeff Faux accused New Democrats of being "obsessed with abstract debates over social values, while the nation stumbles into decline." Additionally, while professing to represent the interests of middle-income Americans, left-laborites were clearly uncomfortable aligning too closely with their cultural attitudes. Faux wrote in the same article, "The fact is that in modern times national Democrats have always been somewhat out of sync with the social values of the average, white, and middle-class American. It is, after all, the *progressive* party. Its historic function is in part to champion the upward mobility of those who are different — immigrants, blacks, Hispanics, women wanting equal opportunity, gays in the military." This is clearly a far cry from Teixeira's "forgotten majority."

Left-labor used to dismiss talk of values and culture as a meaningless distraction from the real issues.

Even more significant is the fact that the new, family-values, left-labor coalition now represents the left pole of mainstream Democratic politics. Faux's 1993 genuflection toward "those who are different" appears quite mild when compared with left-wing Democratic rhetoric of the 1970s and 1980s. The goals of the activists who acquired power in the Democratic Party in this period involved the thorough subversion of mainstream American culture. Claiming to embody the unarticulated needs of oppressed or marginalized groups — blacks, Hispanics, women, and gays — and implying that no white male Americans could understand or sympathize with their perspective, these activists pressed their demands for justice and radical social change in an uncompromising manner now known as "identity politics." The rapid retreat of "identity politics" and the hard-core multiculturalists who practice it is one of the more remarkable aspects of political life over the past 10 years.

In a 1996 review in the *Public Interest*, David Brooks took note of the rise on the left of what he called "the class-not-race crew," which had come

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to believe that "identity politics is a cul-de-sac, which has ghettoized left-wing ideas and allowed the white middle class to drift to the right." Members of this group included Todd Gitlin, Brian Barry, and Michael Tomasky, whose book *Left for Dead* was attracting significant attention for its sharp critique of the multiculturalist intellectual left. Among this group, Tomasky explained, "the notion that there is even a collective good is regarded with deep suspicion." Tomasky complained, "if that's your view, why do mass politics?" and continued: "If society is incorrigibly racist, sexist, and homophobic, if extant power structures . . . simply recreate themselves, what's the point of doing anything, of leaving one's room?"

Brooks declared at the time that "This is an argument that the class-not-race crowd is going to lose." He argued that Americans had overwhelmingly accepted a soft multiculturalism which held the diversity of all social bodies to be of paramount importance and had been persuaded that the crucial elements to be diversified were race, ethnicity, gender, and sexual orientation. He also pointed to the incorrigibility of our university faculties, so entranced with dismissing all existing categories and "undermining the fundamentals of all past understandings" that they were incapable of affirming anything at all. Finally, Brooks suggested a general absence of solidaristic feelings among the American populace. He concluded that "for all its flaws, identity politics is the only liberal and left-wing option."

Today's black, Hispanic, or female GOP appointees are understood to represent their race or sex in only the most vague and general way.

Electoral results have not disproved Brooks's hunch about class-based solidarity, and his other two arguments are surely right: The universities are thoroughly incorrigible, and soft multiculturalism has not been dethroned. In fact, it has even been embraced by the Republican Party, which made a point of showcasing blacks at its 2000 convention. George W. Bush's Cabinet and early judicial appointments are liberally sprinkled with women and racial minorities. But there is a crucial difference between this approach and the politics of the 1970s and '80s. In the bad old era of identity politics, it was assumed, often correctly, that women and minorities sought positions of power for the principal purpose of transmitting the demands of their "natural" constituency. But today's black, Hispanic, or female GOP appointees are understood to represent their race or sex in only the most vague and general way. Contrary to Brooks's prediction, hard-core multiculturalism has been thoroughly drummed out of national politics. The left-labor coalition, while yet to claim an electoral victory, is the strongest faction on the left. And the DLC, wooing suburbanites with complicated racial attitudes and faced with a less culturally abrasive opponent to its left, has largely ceased to make socially conservative appeals.

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States one Democratic writer, "no professional Democrat wants to front a cultural message." Thus, both major Democratic factions together have packed up their arms and departed the cultural battlefield.

Market virtue

THE OTHER TERRAIN over which the New Democrats and left-laborites have, surprisingly, traveled together is economic. This is a reality that the sharply drawn dichotomy of the postelection debates obscures. The thriving American economy of the mid- to late 1990s has thrust aside a whole set of issues, assumptions, and arguments that dominated the economic debates of the early part of the decade. In those years, it may be recalled, the opinion was widely held that the United States was falling dangerously behind its economic competitors — principally Japan — and would not catch up without major structural reform. Our labor force, it was argued, lacked the skills and discipline to compete. And the Japanese system, in which the state played a larger role in directing the flow of investment and in protecting the nation's industries through subsidies and trade restrictions, was held to have the advantage over our more laissez-faire economy. Bill Clinton, as stated earlier, ran in 1992 on a relatively interventionist economic platform, promising federal money for job training, enhanced funding for science and technology, and investment in the nation's physical infrastructure.

To Clinton's left were people like Dick Gephardt, characterized by John Judis in 1996 as "economic nationalists," who advocated a kind of latter-day mercantilism. Gephardt and his allies supported a more confrontational trade policy in which the United States would retaliate against nations with protectionist policies — in Gephardt's words, a "golden rule" for international trade, doing unto other countries as they did unto us. They also favored tax and other incentives to persuade corporations to keep their operations in the United States and to invest in training for their workers. And to the left of this group were people like Jeff Faux, president of the Economic Policy Institute, who demanded a level of state direction of the economy that one might have thought went out of style with the last Soviet five-year plan. Writing in 1993, Faux called for "an investment led growth strategy" that will "require a civilian public sector that is stronger, not weaker — and probably larger, not smaller. It will require a government that plans ahead and does not hide from the questions of how to deploy American technology and labor force in the future."

It goes without saying that no one speaks in these terms anymore. The second half of the 1990s provided a powerful validation of a free enterprise system as the U.S. economy surged while corporatist Japan sank into what seems like permanent recession. The excesses surrounding internet start-up companies, and the apparent technology overinvestment by larger compa-

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nies, can be faulted and will not be painlessly corrected. But our overall growth and productivity have demonstrated again that it is not for the public sector to decide which innovations are the most promising or which skills workers will need five years down the road. The left wing of the Democratic Party still calls for government-supported job training, but it is now to aid "those left behind" by the recent prosperity, not for the salvation of the U.S. economy in general.

Globalization politics

DESPITE THIS CONVERGENCE, however, the New Democrats and the left-laborites continue to offer starkly different pictures of the state of the nation. Few Democrats today would define their mission as championing the poor, or the disadvantaged, or "those who are different"; almost all seek to identify with the average American. But what are the circumstances of average Americans? Are they optimistic, self-reliant, technologically capable, actively managing their investments, easily picking up new knowledge and skills, boldly headed for, in William Galston's words, "the new mass upper middle class"? Or, as Stanley Greenberg would have us believe, are they barely hanging on, their employment increasingly insecure, fearful of the rapid obsolescence of their skills, working ever longer hours for stagnant pay, and faced with an increasingly porous social safety net?

The axis around which this debate turns is the impact of globalization. As journalist Joshua Micah Marshall explains, the one group believes globalization to be The Problem, while the other holds it to be The Solution, or at least a largely benign force which has the potential to yield substantial economic benefits for everyone. Thus policy questions relating to globalization threaten to be the principal obstacle to Democratic cohesion in Congress. Marshall suggests that trade is "the latent issue for Democrats," and that their ultimate legislative combinations cannot be predicted even by the factions that appeared so firm and dichotomous in the wake of the election. Ideologically, protectionism has been discredited, but every senator and representative has some local industry he or she wishes to favor. Economic nationalism, like all varieties of nationalism, is no longer in fashion, but labor hopes to advance its agenda through universally applicable labor and environmental standards. And New Democrat free traders may find their suburban target audience to be increasingly susceptible to these arguments. Marshall proposes that there has been "intentional obscurity" on the subject of trade, and that "many legislators have not figured out their positions on these issues."

Clearly, culture is the other "latent issue" or set of issues for the Democrats. Both wings of the party have done their best to keep economic policy front and center. This is not to say they don't make moral appeals;

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rather, their moral arguments are attached to economic matters like reward for work, equal opportunity, and job security. It was one of the virtues of the early New Democrats that they recognized that all economic policy has a social and moral dimension and would be judged by the public on the basis of its social and moral attitudes. But there is also a realm of culture outside of economics, one which reveals itself in the complicated ways religious faith works itself into politics, in the abiding distaste for governmental and especially federal power in some parts of the country, and in the passionate feelings that the subject of abortion elicits on both sides of the debate. Democrats today are not getting their hands around this realm. The flawed interpretations of the 2000 electoral results offered by both major factions make this clear. The New Democrats blame Gore's latecomer populism for the Democratic loss, claiming that it lost him support among affluent "wired workers." But in fact, the Democrats did better than ever among the affluent and educated, and consolidated their hold on the Northeast, the West Coast, and metropolitan areas. The left-liberal analysis is even more distorted, however, as Gore lost badly among the very group his populist strategy was designed to attract — white, semi-educated males with incomes from $35,000 to $75,000.

It has become the conventional wisdom in Congress that the Democrats' stance on gun control costs them heavily in the South.

More privately, however, some Democrats are discussing the question of culture. It has become the conventional wisdom in Congress, for example, that the Democrats' stance on gun control costs them heavily in the South. What, if anything, should be done about that remains subject to debate. Zell Miller made this controversy unusually public in May with a *New York Times* op-ed that argued, old DLC-style, that the Democrats should back off on gun control and other culturally sensitive topics until they gain the trust of Southern voters. More liberal Democrats (Miller is among the party's most conservative) have argued that with the party's near-dominance of the Northeast and Midwest and its new power on the West Coast, national candidates don't need the South, and that moving to the right to win the South will lose them support in these other areas. Southern Democrats counter that their viability in state contests, and the balance of power in Congress, depend on a more culturally conservative message. Candidates continue to select the cultural issues that will work to their best advantage locally (Sen. Barbara Boxer's reelection campaign, for instance, gained considerable mileage from her opponent's antiabortion stance), but the party's national image is never irrelevant. This controversy may open up rifts not only between New Democrats and left-laborites, but also between the primary groupings within the DLC: those officials from Republican or closely divided

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states for whom being a New Democrat means taking stances closer to GOP positions, and those who view the New Democrat "Third Way" as a distinctive ideology unto itself. More generally, this debate shows that many of the issues that surrounded the formation of the DLC have not gone away, and it underlines the continuing salience of regional differences in American politics.

Up from parity?

WHICH SIDE OF THE CURRENT Democratic divide will gain the advantage? That will depend on numerous unpredictable variables, not the least of which are the actions of the Republicans and the course of the American economy. It seems clear that the DLC will have to lose some of its gung-ho rhetoric about wired workers, the New Economy, and the Information Age, all of which sounds increasingly untenable after the implosion of hundreds of internet startups and the more surprising near-collapse of many telecommunications companies. Wall Street has already jettisoned the hype; politicians as usual are slow to catch up. What's more, the New Democrats will have to concede that events have proved them wrong on one of their major predictions about the New Economy: the decentralization of corporate power. Corporations have in fact been combining at an unprecedented rate, and in many industries power is more concentrated than ever before. Americans — whether "wired," equity-holding, or not — are aware of this. Anyone who has ever dealt with a bank or HMO will attest that these organizations can be just as bureaucratized, impersonal, unresponsive, and difficult to navigate as an overgrown federal agency. New Democrats (and Republicans, for that matter) will have to awaken to the fact that people's frustration with corporations, experienced as employees or as consumers, can form the basis for a potent political movement.

The left-labor faction, on the other hand, would benefit by giving up some of their unrelenting pessimism and by offering a positive vision for the globalized economy. They also lag behind the New Democrats in terms of innovative public policy. Moreover, the left-laborites must also face the reality that a stagnant economy might jeopardize, rather than bolster, their long-awaited class-based coalition. One of the oldest tricks in the American political library is to separate the lowest rung of the middle from those just below them. When race is added into the equation, the division becomes even easier. The absence of race-based appeals from the political campaigns of the past five or so years is due to particular circumstances (which, ironically, are the fruit of center-right policies): a strong economy, plentiful jobs, and a remarkable drop in crime. Should there be a setback in any one of these areas, divisions will become easier to exploit. All a revival of identity politics might require is a single incident, similar to the electoral controversy

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in Florida, in which black officials insist upon a racial dimension while the Democratic leadership desperately tries to hush them up. This is perhaps a gloomy view of American race relations, though one not unjustified by history. But other potential fault lines also present themselves: between the college educated and those who are not, for example, or between public-sector and private-sector unionists. Left-laborites would be foolish to rely on class solidarity and would also be foolish to ignore what can only be considered a favorable trend for their party: the increasing affluence and elitism of the Democratic electorate.

Finally, both groups will have to think hard about the party's desired cultural message, about the subtle and symbolic ways cultural allegiance can be signified over the course of a campaign, and about the integration of a cultural message with their preferred economic policy talk.

The debate Democrats presented publicly in the postelection period was a rather sterile argument between "big government" and "small government." In fact, the dialogue going on within the party is much richer, perhaps even than many of its participants themselves realize. So far, the dialogue between these two camps has produced a Democratic Party that operates nationally more or less at parity with the Republican Party. The question is whether the interaction of the left-labor and New Democrat camps will be rich enough to reestablish the party as a national majority party, or whether the differences between the two will ultimately be too hard for the party to contain.

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Why Europe Needs Britain

By MICHAEL GONZALEZ

THE TRANSATLANTIC ALLIANCE — the springboard of America's global involvement, in Zbigniew Brzezinsky's words — will change dramatically in the first decade of this century. Americans would be prudent to prepare for the possibility of estrangement in the relationship, stemming not just from differences in economic outlook between a given U.S. administration and the leading European governments of the day, but also from a secular desire by some in Europe to vie for global political leadership. It should hardly need mentioning that such an outcome would have adverse consequences for the way the United States projects its power throughout the globe; we would have to learn, for one thing, to do without our European partner.

But none of this *needs* to happen. The United States and Europe could develop an even deeper alliance as better-defined common interests draw us closer together — perhaps a happier result. In between these two outcomes falls a range of possibilities, largely unforeseeable in their particulars.

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What can be foreseen — about the only certainty we have — is that the European Union will have played the key role in the result, whatever it is. If the United States wants to have influence over the direction the alliance ultimately takes, it cannot ignore the EU as a principal interlocutor.

Indeed, one thing that became clear during the first year of the new administration in Washington is that attempts to bypass the EU by President George W. Bush's policy advisors — or by executives of private companies, for that matter — paid fewer dividends than at first thought. More often it would have been better to pave the way for initiatives by gaining allies who agreed with policy positions or investment decisions. This was the case in a variety of issues, from scrapping the Kyoto protocol on climate change to the failed GE/Honeywell merger the lost seat at the U.N. Human Rights Commission, and missile defense. To make this observation is hardly to call for a mushy "multilateralism." GE and Honeywell could have flouted EU Commissioner Mario Monti's decision and gone ahead with their merger, but decided to abide by it because the price — leaving Europe — was higher. In other words, this is the way the world works.

It was obvious even before the election that the Old Continent was not high on the agenda of Bush's potential senior officials.

As far as the Bush administration is concerned, it was obvious even before the election that the Old Continent was not high on the agenda of its potential senior officials. National Security Advisor Condoleezza Rice gave every indication that she had a healthy respect for giants such as Russia and China — powers which, in her apposite words, "can ruin your whole day." For Secretary of State Colin Powell, the accent from the start was on the Middle East, the region where he earned his spurs as the chairman of the Joint Chiefs of Staff during the Gulf War, and where the new administration was most in need of making a visible departure from the direction of the previous one. For Defense Secretary Donald Rumsfeld, the emphasis was on Asia and on space; in fact, he voiced a desire to withdraw troops from Europe. For Bush himself, Mexico and the rest of Latin America seemed to take first place; thus his bold call for a Western hemispheric trade bloc at Quebec and the exchange of visits with President Vicente Fox.

All these are areas worthy of attention. But the trouble with an insufficient focus on Europe is that it leaves the transatlantic relationship adrift, vulnerable to the vagaries of day-to-day events, to the ad-hoc management of disputes over trade, the environment, Airbus subsidies, and such. The only European vision would then come from the other side of Pennsylvania Avenue. And in Congress these days, most of the people thinking about the EU at all either are resolute about the fact that they don't like what they see

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(the Republicans) or want to find support in Europe for opposition to Bush administration initiatives (the Democrats). The latter is perhaps unavoidable, given the nature of partisan opposition. But the former, the GOP's euroskepticism, takes a number of forms, one of the more prevalent of which could do serious damage to American relations with Europe in general — bringing that specter of long-run disengagement to life.

For some members of the president's party, the only truly trustworthy European country is America's old ally, Britain. And the only action available is to help Britons in an ephemeral struggle with Brussels over sovereignty — to help them, in effect, disengage as much as possible from the EU.

Caution of course is required of those, like me, who propose to argue that the EU can be made to work for libertarian ends. Many who apparently think otherwise, influential senators such as Phil Gramm and Jesse Helms and members of their staffs, can hardly be challenged on the depth of their commitment to such conservative or libertarian ends as free markets, political liberties, and a limited public sector. Indeed, one can go further and say that the majority of American europhiles probably dream of one day importing the EU's socialist-leaning pretensions. But on this issue, Helms and Gramm, and their friends in various think tanks in Washington, London, and elsewhere, are wrong, and perhaps calamitously so.

For some members of the president's party, the only truly trustworthy European country is America's old ally, Britain.

Especially because the EU has the potential to become a spoiler in the Atlantic relationship — to, let's be frank, become the agent of those with designs to break up the alliance, force the United States to leave military bases in Europe, and diminish the American economic presence there — America the superpower needs to do everything it can to prevent a decoupling. It may find the EU an unlikely partner, but the United States needs regularly to remind Europeans of our common aspirations. This should not be too difficult. As President Bush's trip to Europe in June made clear, the main differences do not separate one side of the Atlantic from the other, but two groups within all postindustrial, technologized societies: One trusts the state to provide answers to problems, the other one does not. This means that an administration such as Bush's should forge links with those European governments that share its vision of freer economic competition, of the use of antitrust legislation to serve consumers rather than threatened competitors, and of a general rollback in the role of the state. This is the best way toward an EU the United States can live and prosper with.

In the first year of the Bush administration, these politicians are Italy's Silvio Berlusconi and Spain's Jose Maria Aznar (and not for nothing did Bush begin his European tour in Madrid). But Democrats in Congress who

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accept the market but are leery of too much Hayekian-style competition (true "New" Democrats) should also realize that they too have allies in Europe, most notably Britain's Tony Blair and his intellectual Chancellor of the Exchequer Gordon Brown, and probably also Germany's Gerhard Schröder. These men may harbor a desire to "manage" capitalism but are fascinated by its potential nonetheless, and they likewise do not want to see America and Europe decouple, realizing that both sides would be losers for it. None of the leftists in government in France today really identifies with anyone in America, but it is still an open question who will gain power next year in legislative and presidential elections.

Allies in national governments have the ability to change the EU, since they own it. The bureaucrats at the Brussels institutions, being more influenced by the French bureaucratic model, undoubtedly have the ability to turn the EU into a centralized monolith that Americans and Britons would despise. Many of them might also prefer to drive a transatlantic wedge. But the EU is not institutionally an enemy of the United States. It equally has the potential to disperse power away from national capitals and send it closer to the regions and, therefore, to the individual. This is exactly the type of evolution that would please Republicans, especially the former governor who often said during the campaign, "Texans can run Texas."

But either way, to get results of this kind we need a more powerful Britain inside the EU, not one that has disengaged. Rather than "freeing" our ally Britain from the clutches of Brussels, we need Britain to play a strong role in the EU.

Tory euroskeptics

For GEORGE W. BUSH, the danger is that Republicans risk allowing themselves to be unduly swayed by the euroskeptical wing of Britain's Conservative Party. This is the European political party closest to the Republicans — it is the party of Margaret Thatcher, after all — and the most important plank in its last manifesto is to save the pound. At least one member of the last shadow Cabinet, and several of its front benchers, wanted to pull out of the EU altogether, or at least to "renegotiate" the relationship, by which they mean more or less casting the Continent adrift from Britain. These Tories are calling on Republicans to help them fight "Brussels" on grounds that appeal to the GOP soul — arguing that its institutions seek to weaken British sovereignty and its commitment to free markets. Though many are probably motivated by noble instincts — pro-American sympathies and/or a fear of seeing an erosion of the nation-state, which they see as the only political institution that can make democracy and civil liberties possible for citizens — they sometimes engage in rhetorical legerdemain: They point out to their American friends that the majority of Britons are ambivalent about the euro and about deeper European integra-

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tion, but they leave out the inconvenient fact that an even larger majority of Britons tell pollsters that they do not want to leave the EU.

It was not surprising, then, to see Sen. Gramm go to London on July 4, 2000, to invite Britain to join NAFTA. The senator went at the invitation of one of the most redoubtable British europhobes, publisher Conrad Black. Black, who leads a vigorous campaign against Britain's participation in Europe, claimed that he'd gotten a positive reaction from Bush to the idea of Britain in NAFTA. Even if this was just a misunderstanding, he seems to have persuaded others. Sens. Helms and Gordon Smith, writing in the Black-owned *Daily Telegraph*, warned earlier this year that the EU is anti-American.

A bit lost in all this, perhaps, is the discomfiting fact that it was the europhobes who led the Tory party to electoral ruin on June 7. There seems, in fact, to exist an inverse relationship between the impact that this wing of the Tories and their media partners have on Britons and that which they enjoy among congressional Republicans. Though it's true that the fear of running afoul of Black-owned publications does make many pro-EU Tories mind what they say in public, overall, he seems to be losing the battle. After the electoral defeat, Tories who are more moderate on Europe showed signs of emancipation. William Hague, who made "the campaign to save the pound" the central point of the elections, quit the morning after the loss. Subsequently, two of the top three vote getters among MPs in the race for party leader were europhiles: former defense minister Michael Portillo and Kenneth Clarke, who has held numerous senior government posts. When they talk about "renegotiating" with Brussels, what they mean is using British influence within the EU to change the nature of the EU as a whole. This is something that Britons wholly support, that the United States ought to encourage, and which would ultimately benefit all Europeans.

An ally that grates

IT IS NOT DIFFICULT to see why the EU makes American policy-makers, especially Republicans, uncomfortable. The first actual threat to U.S. defense that the new Bush administration faced as it came into office came after all not from an enemy, but from our European allies. Their insistence on building a rapid reaction force, which the French want to make independent of NATO, as well as their rejection of Bush's missile defense plans, risks creating a split in the Alliance. I have already mentioned the EU Commission's scrapping of the GE/Honeywell deal, a merger between two American companies. More generally, the EU all too often presents itself as an experiment in the "social market," if not as an outright challenger to the United States. The euro, we have heard all too often since its inception, will one day rival the dollar as the world reserve currency, with adverse consequences for American borrowing rates. It was the EU — not its

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constituent members — that refused to buy U.S. beef and bananas. The man who carried the message was Leon Brittan, the EU commissioner, not Sir Leon, the former British official.

All this is true, but it ignores certain important points that Bush administration officials ought to consider as they fashion a European policy.

The first is the most obvious: The EU is not going to go away, and sudden American animosity against the experiment taking place in Europe will badly backfire in several ways. Those within the European Union who want a transatlantic divide would seize upon such opposition as evidence that the U.S. is not interested in a partnership between allies, and as further reason for erecting a superstate that can "stand up to the Americans."

Britain is our strongest ally in the EU, the one that most stands up for values that we hold dear.

More important, the description of the European Union as a troublesome Leviathan-in-waiting purposefully ignores the fact that the EU has struck a blow for classical liberalism that no other existent organization can rival: 350 million people can now transport themselves, their capital, their goods, and their services unmolested across the borders of 15 nations. Protectionism may not have entirely disappeared among members, but it has been made very difficult. The euro itself represents a major step toward global exchange-rate stability. Already 12 different currencies have ceased floating against each other according to the whims of currency speculators or, worse, to those of panicking politicians trying to gain an illusory economic advantage over their neighbors through depreciation.

The europhobes' rejection of the EU can, in fact, often (though not always) be best understood not as the reaction of free-marketers aghast at a social democratic Leviathan, but as the uneasiness European conservatives-cum-nationalists feel about classical liberalism. More than once I've noticed the whiff of something akin to nineteenth century German romanticism in the fulminations of euroskeptics against this institution for making borders and different exchanges disappear.

Following Tory anti-EU urgings would therefore make matters worse. Britain is our strongest ally in the EU, the one that most stands up for values that we hold dear. It is also the member state most likely to rally others to use EU institutions to push a free-market agenda. U.S. policymakers should therefore try to do all they can to raise Britain's voice inside EU councils, not encourage its departure. A worthy goal for a free-market administration would be to effect a linkup with the euro and the yen that would allow investors and traders to plan ahead without the risk of currency instability rather than chasing some neomercantilist chimera by trying to retain the dollar's status as sole world reserve currency (it will remain so as long as

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America is the world's superpower, not the other way around). Likewise, the administration should not pursue a destructive policy of tit-for-tat retaliation against an EU that drags its feet on trade, but quietly work for a gradual elimination of tariffs between NAFTA and the EU in order to pave the way for a "Trans-Atlantic Single Market." U.S. Trade Representative Robert Zoellick has already shown the way by getting rid of one of the stupidest irritants in the relationship, the battle over banana subsidies. Indeed, from the beginning of the administration, Zoellick has been the senior official who seems to have best understood the need to deal with the EU head-on.

The Bush administration could not have a more opportune moment to influence matters on all these fronts, as EU countries are now on the cusp of tremendous change. In less than a year, euro notes and coins will be introduced — in other words, what has until now been mostly a matter for central bankers and investment professionals will be part of the everyday life of over 300 million Europeans. The European Union will also soon be expanding to take in East European candidates, and the former Iron Curtain captives will bring with them a more skeptical view of the supposedly "benevolent" state, a view mainly missing in EU councils. More important, a struggle is being waged at the center of the EU itself — sometimes quietly, often publicly — between the forces of control and centralization on one hand and those of pluralism, devolution, and liberalization on the other. The decisions Europeans make about their currency, their armed forces, and their political institutions are important in their own right and by themselves will affect their relationship with the United States for years to come. But the outcome of the struggle for the heart of the EU will set the Union on a course not easily reversible for even longer. An Inter-Governmental Conference to be concluded by 2004 will define which competencies properly belong to the EU, which to the nation-state, which to the regions. No conference can impose changes that only take place organically, but calling an IGC shows that the question of regionalism is being debated. Berlusconi's government is pro-devolution, copying the work that Spain has done and that Blair has begun with Scotland, Wales, and Northern Ireland.

A war child

IT IS PERHAPS WORTH remembering that men who share America's libertarian instincts have been in charge of the EU before. Indeed, the Union had classical liberal beginnings, as even its biggest detractors readily admit. It was a post-World War II attempt at stopping government interference in the lives of Europeans. The machinery is still in place.

The past two centuries have belonged to the nation-state and the last century increasingly to its corollary, the welfare state. Napoleon's armies provided the initial impetus for the creation of two large unified countries out of the scores of principalities, duchies, bishoprics, and republics that straddled

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the Continent between the Mediterranean and Scandinavia. The spread of the Industrial Revolution through Europe strengthened that process, both by making the case for economies of scale and by requiring government intervention to cope with the dislocations and turbulence of rapid industrialization. Later still, major wars had the same effect.

The last one caused such devastation that the survivors realized something radical had to be done. The EU's founding fathers and early supporters, men like the Franco-Luxembourgeois Robert Schuman and the Rhinelander Konrad Adanauer, had witnessed the worst ravages of state power, and what they wanted most was to master it. Churchill, no socialist he, spoke of the need for "a kind of United States of Europe." These statesmen sought a lasting reconciliation between Germany and France, yes, but they had other things in mind as well. As even the europhobic Belgian writer Paul Belien recognized in a Centre for the New Europe pamphlet:

> The EEC of the Treaty of Rome was set up as an instrument for economic liberalization. The aim of transferring national sovereignty to the supranational level was to prevent the national levels from becoming too interventionist. The net result should be less government interference.

The U.S. actively supported all these goals. By 1954, the EU's predecessor, the European Coal and Steel Community, had achieved nearly barrier-free trade in coal, steel, coke, and pig iron. Unsurprisingly, its six members discovered that trade in these commodities shot up.

But along came Charles De Gaulle, who did not share antisovereign dreams but who nonetheless saw the EU as a means to control Germany. Significantly, De Gaulle recognized the British threat early on, vetoing Britain's entry into the Union expressly because of its "special relationship" with the United States. Britain joined finally in 1973, after the general had passed away, but little more than a decade later, in 1985, Jacques Delors was named president of the European Commission. Delors was far less truculent than De Gaulle, but he was an heir to two different European traditions that emphasize secrecy and "solidarity" with the less fortunate: Catholicism and socialism. When the sense of mission of the former is added to the latter, the result can suffocate industry.

More than any other senior EU official before him, Delors endeavored to suffuse the Union with the philosophy of the welfare state. It was he who introduced the "social" concept to the EU, by which is meant imposing on members a (very high) minimum level of welfare legislation. Since the EU was the tool through which competition was being introduced into François Mitterrand's France, Delors decided he would apply jiujitsu and use the EU to spread French socialism. The idea may have been to protect workers from the competition brought in by internally open borders, but the results were clogged labor markets and double-digit unemployment. Not only did Delors set the EU on a different path from that which it had followed before, but his attempts to impose from Brussels unwanted social regulations on free-

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market, Thatcherite Britain fanned flames of europhobia there that still have not died. He did more than just poison the atmosphere with regard to Britain; he also began to strain ties with Reagan's America.

To European socialists, an America that was setting an example by succeeding economically through free-market policies and winning the Cold War by increasing military spending rightly loomed as a threat to their existence. The ultimate collapse of the Soviet Union compounded the disaster by leaving America as the sole superpower, an "*hyperpuissance*," in the words of French Foreign Minister Hubert Védrine. It needed to be countered, and the EU handily provided the tools for doing so, now that Delors had introduced the social straitjacket.

The ascendancy of centralizing forces within the EU would make Europeans more intractable U.S. allies, especially for center-right American governments interested in promoting free trade and the liberal system around the world. Dirigistes, from the level of the foreign ministry down to the shop-floor labor organizer, are resolutely anti-American and want nothing more than to thwart American aims.

Disappearing sovereignty

IT IS NOT DIFFICULT, therefore, to see why many Britons and Americans have become so concerned about the direction the EU has taken. For the past 15 years they have seen the growth of an organization that is increasingly doing the bidding of dirigistes in France, Italy, and Germany by forcing other reluctant nations to accept welfare policies — or as the Tories would put it, an unelected, Brussels-based bureaucracy that is sapping decision-making powers from a sovereign parliament.

For historical reasons, sovereignty has always seemed more important to Britons and Americans than to their European cousins. Our Declaration of Independence is a concise explanation to the rest of the world as to why the colonists sought to "assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitles them." Britons, an island people, are no less enamored of their independence. The last foreign troops to enter the British Isles ready for action were the Dutch, in 1688, and they were invited in by a parliamentary faction. Before that, one would have to go back to 1066 and the Normans; no other people on the Continent can lay claim to such a long history of running their own affairs. It is these similarities that have convinced many Tories that Britain would be better off to throw its lot in with the United States and the North American Free Trade Agreement. On one side they see a Continental institution that increasingly wants to impose a code of welfare provisions — the truly Napoleonic *Acquis Communautaire* — that the majority of Britons reject, and on the other they have Americans, with whom they share ties of language, blood, and philosophy. It should not surprise that, on the other

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side of the Atlantic, they have found Republicans willing to lend a sympathetic ear.

British europhobes have a response to the argument that only London can really make sure that the EU struggle is won by pluralists: They say they could never get their views across in an EU they see as dominated by the "Franco-German Axis." But while the imperative of Franco-German rapprochement after World War II did require Germany and France to close ranks during the early years of the EU, this is decreasingly the case. The relationship has been characterized by a notable absence of warmth in the post Kohl-Mitterrand era. Today's three leaders — the cohabiting Chirac and Jospin and Chancellor Gerhard Schröder— plainly do not get on. Chirac is a Gaullist and therefore doesn't see eye to eye with the two Socialists, while the doctrinaire Jospin can't stomach the Clintonian absence of principle in his German counterpart. And Britain, despite all that the British europhobes say, does have a very significant, positive impact on the EU — one that is easily measurable. Its opposition to most forms of harmonization has been invaluable for the cause of liberality. It frustrated the imposition of an EU-wide withholding tax on savings, which was a sure bet until Chancellor Brown threatened to veto it at the EU summit in Lisbon. At the EU summit in Nice, Blair stood firm by blocking attempts to take the national veto away. It is of utmost important for states to keep the veto for all important items, as majorities can sometimes be found for the most economically irrational measures.

So it would be to Europe's centralizers that an EU without Britain would be bequeathed, notwithstanding the governments of Berlusconi and Aznar. This would be a potentially disastrous outcome for America. Economically, we can ill afford to give up on attempts to improve our trade relationship with the rest of the EU, even if what we get in exchange is tariff-free trade with Britain. As one would expect, two-way trade with Britain is far smaller than trade with the EU. But there is also the damage one would see to the cross-investment America already enjoys with the rest of the Continent, of which Daimler-Chrysler is but the best known example. Progress on all these fronts would be severely set back if we "took" Britain out of the EU. Not only would the strongest advocate for our common values among the four largest EU members be gone, bad as that is in itself, but Britain's departure would generate unprecedented resentment among the other EU member states. The likelihood that the Union would evolve over time into an entity inimical to U.S. (and British) interests would increase very significantly.

There will always be a strong temptation for a Republican administration to listen to the Tories, even when they're in opposition. The Tory shadow defense minister, Iain Duncan Smith, got an audience with Defense Secretary Donald Rumsfeld before the holder of the actual post, Geoff Hoon, got through the door. But if the Tories don't change under new management in the next few years, they are apt to distance themselves from Bush's type of Republicanism more and more. Under William Hague, the Tories empha-

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sized the aspects of conservatism — suspicion of anything that threatens the nation-state, fear of immigrants, etc. — that the inhabitant of the White House puts least emphasis on. And when it comes to privatization and rolling back government, the Tories and the White House are headed in separate directions.

Universal values

THE TROUBLE IS, the United States from its very beginning as an independent nation has been based on universal values. This involves much more than just America's history as a land of immigrants, but deals primarily with America's founding principles (though the principles no doubt engendered the history that was to come). Philosophically, the American colonists could base their resolve to break free neither on racial grounds (they were separating from fellow Britons, after all) nor on an ancient, uncodified "constitution," as British and French parliamentarians did, respectively, in 1688 and 1789. So they discovered the "inalienable rights" that man was born with and which applied to all, inside or outside the *Volk*. Europe's blood-and-soil nationalism has rarely stained American history, so the debate gripping the Tories is less an issue with us.

The europhobes who would leave the EU to join NAFTA have, then, tragically misunderstood America as an idea. But, much worse, they have not grasped the exigencies of its status as a world power. Militarily, this would spell even worse disaster. Present French designs to make the European rapid reaction force independent of NATO would quickly come to fruition, shattering the Alliance. Europe — all of it — is the center of gravity of America's global power projection. America can prepare to deal with potential hotspots throughout the world only as long as its international political base, the Atlantic Alliance, holds.

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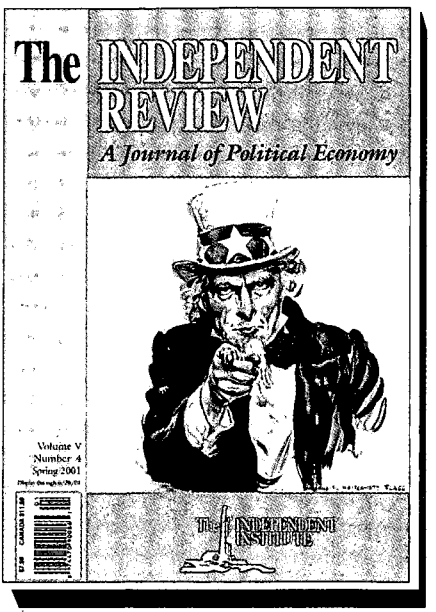

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Pizza Hut, Domino's, And the Public Schools

Making Sense of Commercialization

By ANDREW STARK

LOS ANGELES-BASED Tooned-In Menu Team, Inc., prints 4 million menus each month for school cafeterias around the country, each one laden with ads for products such as Pillsbury cookies or Pokemon. The deal is this: In exchange for getting their menus done up for free, participating schools provide Tooned-In with a ready market for its advertisers. It's just one of a proliferating number of arrangements forged each year between schools (or school boards) and companies. Consider McDonald's All-American Reading Challenge, in which McDonald's gives hamburger coupons to elementary-school students in exchange for their reading a certain number of books. Or Piggly Wiggly's offer to donate money to a school in return for sales receipts — indicating proof of purchase at the store — from the school community. Or the American Egg Board's "Incredible Journey from Hen to Home" curricular material, which is provided to schools for free while also promoting egg consumption. Or ZapMe!, which furnishes schools with free computer labs in return for the opportunity to run kid-oriented banner ads on the installed browsers and collect aggregate demographic information on students' web-surfing habits.

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In each case, the school gets something — money, equipment, incentives for kids to learn, curricular material — at a time of shrinking public-education budgets. And the companies also get something: access to a lucrative market. American teenagers spend $57 billion of their own money annually while influencing family expenditures of $200 billion more. As important, these commercial deals enable companies to build brand loyalty in a new generation of consumers. That is why the term "commercialism in the schools," with its controversial connotations, never gets applied to the sorts of universally praised deals — such as company-sponsored scholarship, internship, or training programs — in which companies treat students not as future consumers but as future employees.

And indeed commercialism in the schools is controversial; it attracts fierce criticism. National organizations such as the Yonkers-based Consumers Union or Oakland's Center for Commercial Free Public Education — as well as numerous ad hoc parental movements at the local level — have taken up arms against commercial deals, battling companies in school board hearings and courtrooms. Their concerns: that commercial deals cede control of the education agenda to nonteachers, that they prey upon a captive audience, that they distort kids' and families' consumer choices, that they foster materialistic values, and that kids should not be bombarded by biased, commercially motivated messages in a place where they expect the information disseminated to be objective and confined to pedagogical purposes. The debate has become shrill and polarized. "I was speaking to one of my critics not long ago," says Tooned-In's director of school relations, Frank Kohler. "She doesn't own a car because she's opposed to the use of fossil fuels. She doesn't go to the movies because she resents the commercials. I said to her, 'Lady, you don't represent America!'"

Yet there is a big problem with both commercialism's critics and its defenders. Neither side adequately distinguishes — among the many kinds of deals out there — between those that are genuinely troubling and those that are not; both paint with a broad brush. In the eyes of Ernest Fleishman, senior vice president for education at Scholastic, Inc., a New York-based company that sells books and posters through the schools, many of his antagonists "tend to use shotguns" in their attacks. "They draw no distinctions," Fleishman complains, between the "very, very different kinds of deals schools strike with companies." But what kind of discriminations should commercialism's critics be making? As Fleishman himself notes, "very few school districts have guidelines covering these matters." And certainly, defenders of commercialism in the public schools are themselves not always prone to drawing boundaries and ceding some ground to the opposition. Paul Folkemer, spokesman for the controversial "Channel One" — which beams a 12-minute newscast including two minutes of paid advertising into 12,000 schools daily — justifies his company's business this way: "Commercialism has always existed in the schools; think of the local drugstore that used to advertise in the high school yearbook." But is there no

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pertinent way of distinguishing Channel One from the high school yearbook?

If we were going to draw lines between the various kinds of commercialism so understood, the best way to begin would be to distinguish two basic types of commercial deal, types well exemplified by the contrary arrangements Pizza Hut and Domino's have struck with American schools. On the one hand, Pizza Hut will reward children who read a certain number of books in a particular period of time with free pizza. On the other, Domino's will reward kids who buy pizza — or more exactly their school, which sends the receipts in to the local franchise — with free books. The dynamics of these two programs precisely reverse one another. In the Pizza Hut deal, students perform an act that is supposedly part of their role in the public schools: They read. In return, what the company offers is a private-market commodity: pizza. With the Domino's arrangement, kids slip outside of their public-school roles and perform a private-market act by buying pizza. In return, the company furnishes schools with the wherewithal to buy public goods — goods which are of value to the teaching role of the public schools, such as books.

As it turns out, the Pizza Hut and Domino's programs aptly symbolize the two basic kinds of arrangements companies invariably make with schools; almost every instance of commercialism falls into one or the other category. Either, as in the Pizza Hut deal, the school offers a public good — students' reading time, or classroom space, or curricular access — and the company reciprocates with whatever private-market commodity it happens to sell, whether pizza, coupons for orange juice, or samples of spaghetti sauce, sometimes dressed up as curricular material. *Or,* as with the Domino's deal, the school offers the company something of private-market value — namely, its own students as consumers — and what the company offers the school is materiel or monies of public value: books, equipment, computers, or outright cash gifts that have no connection with whatever it is the company sells. The first kind of deal can be troubling, but not for the reason most critics believe. The second, however, is simply far less disturbing than critics allow.

From public good to private benefit

BEGIN BY CONSIDERING a few examples of the first kind of deal, the Pizza Hut-type. Minute Maid, for instance, has staged its own version of the Pizza Hut arrangement: Students would read — that is, they would do something that is part of their role in the public schools— and what they would get in return were book covers advertising Minute Maid's private-market commodity, orange juice, or rebates on purchases. A few years ago, in a similar vein, schools across the country struck an agreement with General Mills, according to which they would devote

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classroom time — a public good — to a science experiment in which students would pop free samples of Fruit Gushers (the company's new private-market commodity) into their mouths, making comparisons between the resulting sensation and the dynamics of volcanic eruptions. A prominent Campbell's Soup deal — which offered schools a science experiment purporting to show that its Prego spaghetti sauce is thicker than Unilever's Ragu — fell into the same category. As did a sixth-grade math textbook, published by McGraw Hill and introduced into public curricula around the country, which featured a passel of references to brand-name private-market commodities such as Nike and Gatorade.

In all of these cases, the school offered something in its public capacity — its own classroom time and space — and the company reciprocated with whatever it happened to sell on the private market — orange juice, spaghetti sauce — wrapped in some form of curricular material. The typical deal struck by Channel One, the 800-pound bête noire of commercialism critics, falls into the same category. What the school turns over to Channel One is the public good of classroom time: The typical Channel One deal calls for 90 percent of a school's students to watch the show, beamed daily by satellite, on 90 percent of schooldays. In return, what Channel One furnishes is its own private-market commodity — namely, two minutes daily of advertising for other private commodities such as Reebok or Nintendo — wrapped in current-events curricular material, the ten minutes daily of news coverage its programs provide.

The school turns over space and classroom time, the company provides a private-market commodity.

It's true that Channel One also gives each subscribing school approximately $17,000 worth of wholly *public* goods, in the form of free TV and satellite dish equipment. Yet both Channel One and its critics deny that these public goods are of much value to schools. Noting that "a couple of hundred schools haven't even asked for [the equipment]," Channel One's Folkemer says that "if the deal was just to get the equipment, schools wouldn't continue it. Equipment is not that significant." Channel One's opponents, such as Alex Molnar of the University of Wisconsin at Milwaukee, agree, denying that the equipment Channel One offers is "valuable to the school[s even] in the most crass commercial terms." Of course, the two sides have different motives for dismissing the utility of Channel One's gifts of videos and satellite equipment. Channel One does so to allay any charge that schools are taking its programs because of the free equipment rather than the educational merits of the programming; critics, for their part, want to argue that Channel One is exploiting schools, getting valuable advertising access to children's minds in exchange for virtually nothing. But the bottom line is this: If indeed the pub-

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lic good of free equipment means so little, as both Channel One and its critics seem to agree, then the Channel One deal remains essentially identical to the Pizza Hut, Minute Maid, and Fruit Gusher arrangements. What the school turns over is public curricular space and classroom time, and what the company provides in return is essentially a private-market commodity — in this case, advertising — fashioned in a curricular package that inserts itself into the public time and space made available.

What's so wrong with these kinds of deals? Critics have a full quiver, but the most prominent salvo misses. On it, the problem with Channel One — or Minute Maid's book covers or Campbell's curricular material — is that, installed as they are inside the classroom, their promotional efforts prey upon a captive audience. If the company's pitch were removed even to the cafeteria, as with Kohler's menus, that would be a different story: Students don't *have* to eat lunch there. Better still that the ads should move onto the school roof: There is little to say against the two suburban Dallas school rooftops that feature Dr. Pepper ads for overflying planes. But as the public space which the school makes available to a private commodity's promotional material moves from the outer perimeters of the building to the inner sanctum of the classroom, the audience grows more captive; the private-market advertisements, consequently, more allegedly harmful. In a 1995 memo concerning Channel One, the New York State Department of Education put it this way: "It's [sic] mission is to . . . deliver up a large, captive . . . audience to advertisers." And this, presumably, is a bad thing.

Students, critics say, have a tendency to mentally wander, gossip, or simply space out during the Channel One broadcast.

But is it? Captivity is double-edged. If a captive audience means that Channel One's ads might carry more suasive clout than otherwise — because students can't avoid them — it also means that the content of the surrounding news material might be of greater quality than otherwise. It is harder to accuse Channel One, as some accuse PBS, of feeling under pressure to water down the quality of its programming to attract the audiences that corporate sponsors desire, precisely because Channel One's viewers can't go anywhere.

Accordingly, some critics of Channel One backpedal. Far from berating Channel One for exploiting a captive audience, they instead adopt an assault based on *denying* that its audience is all that captive. Students, they say, actually have a tendency to mentally wander, do homework, gossip, or simply space out during the Channel One broadcast; and this, they worry, means that Channel One faces an enormous incentive to dilute its news content, rendering it ever more glitzy and gimmicky, in order to attract student attention. Channel One's news broadcasts, the media critic Mark Crispin

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Miller has written, rely on "brilliant, zippy graphics," a "young and pretty . . . team of anchors," and content that is "compressed and superficial" in order to compel the attention of students — precisely because they tend to "zone out," as Miller puts it, during broadcasts. "The content of Channel One News," says William Hoynes, a Vassar sociologist who has studied the company's programming, "suggests the difficulties of holding the attention of even captive audiences;" it's clear, Hoynes writes, "that Channel One has consequently tailored a [news] product that is, first and foremost, about inducing students to pay attention, with a relentlessly hip style and . . . gimmicks."

If, however, students' attention can and does wander, is it not misconceived to describe them as constituting a "captive" audience? Either the audience is captive, in which case the ads are potent but the news programming encounters less of a need to be diluted — or else students' minds are free to roam, in which case programmers might be tempted to water down the news content but the ads likely have less impact. It's true that one study has shown that students tend to remember more about Channel One's ads than about the news content; but since they are equally captive (or noncaptive) in either case, captivity per se — notwithstanding its mantra-like appearance in criticisms of Channel One — isn't the issue. The captivity critique is not quite ready for prime time.

Captivity per se isn't the issue. The captivity critique is not quite ready for prime time.

There is, however, a qualified critique of the Channel One deal — and, by extension, the McGraw Hill or Minute Maid arrangements — that has some merit. In a much cited 1993 study, Michael Morgan, a professor of communications at the University of Massachusetts at Amherst, reported that "Channel One is most often found in schools . . . that have the least amount of money to spend on conventional educational resources." Among poorer schools — where total spending per student is $2,599 per year or less — about six in 10 take Channel One. But among wealthier schools — those that spend at least $6,000 — only about one in 10 subscribe. Morgan's conclusion: For those schools that cannot even afford books and maps, the free 10 minutes of news content itself — forget the TV sets and the satellite dishes — may, by filling a curricular void, prove sufficient to overcome any reservations teachers harbor about Channel One's content. As the Center for Commercial-Free Public Education puts it, in "schools where text books are old or there is no money for supplemental materials," Channel One — or Campbell's Soup or General Mills curricular material — "can be a popular way for teachers to brighten a subject up." David Shenk, a fellow at the Freedom Forum Media Studies Center, agrees: "Poorly funded school districts are the most likely [to take Channel One or Campbell's or Minute Maid curricular products]

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because prefabricated lesson plans save preparation time and provide relief for overburdened teachers." A *Wall Street Journal* article a few years back reported on the case of Laurie Bjoriykke, a third grade teacher in Gaithersburg, Md., who "says she has no textbooks for her history and science classes" and so "shows two corporate tapes a month to supplement her resources."

What all of this means, says the Consumers Union's Charlotte Baecher, is that schools taking Channel One have put themselves into a kind of "conflict of interest." As with all public officials, teachers should make their official decisions — including their decisions about how to allocate curricular time and classroom space — on the merits, according to the public interest, and not on the basis of their need for private support. Of course, the kind of deal represented by Channel One is not the most serious kind of conflict of interest imaginable: That's the kind where an official has the capacity to use her public role to benefit a private company in return for a personal payment. Instead, the Channel One arrangement resembles the milder form of conflict (but one still statutorily regulated at the federal level) in which officials take something of value from a private company not for themselves personally, but to help serve the purposes of their cash-strapped public agency. The rule is that the public agenda should never be skewed by an agency's need for private assistance, let alone the official's personal desire for private gain. As Sen. Richard Shelby, Republican of Alabama, recently put it, "I want [school] decision makers to be able to decide for themselves rather than have to settle for a 'deal.'"

The rule is that the public agenda should never be skewed by an agency's need for private assistance.

The fact that Channel One makes its way preponderantly into poorer schools, however, confronts not only those schools but the company itself with a problem. Jim Metrock, a former steel industry executive who now heads an Alabama-based anti-Channel One organization called Obligation, notes that because Channel One "is going into school systems where kids may not be able to pay for the product, Channel One's advertisers" might not be "getting the audience they paid for . . . probably the demographics are different." Kevin Gordon of the California School Boards Association agrees: "Their hope was that they'd be in all sorts of markets," Gordon says, "but that hasn't happened." William Hoynes adds that Channel One wanted to "be seen to reach the youth market, not the *poor* youth market."

Ironically, then, while the Channel One-type deal might skew the curricular path taken by poorer schools, it also, in a way, threatens to skew the marketing path taken by the company. Just as schools risk making public decisions based not on the public-interest merits but on extraneous private inducements, companies like Channel One risk making their private-market

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decisions — their decisions as to where to prospect for consumers — based not on which schools are the most privately lucrative, but on the extraneous consideration as to which are most publicly needy. Channel One's former president for programming, Andy Hill, acknowledges that if the company "went to advertisers and said 'poorer kids watch our programs,' that would be insane." Yet he maintains that he "hasn't seen a demographic breakdown" of Channel One's audience and concedes that "all other things being equal, a wealthier school is less likely to be enticed" by the curricular material Channel One offers. Indeed, Hill says, if the "far left-wing Democrats who oppose Channel One instead devoted their energy to electing politicians who would raise funding for public schools, Channel One would be gone quickly."

The typical Channel One deal, then, embarks the company on a mild perversion of its purposes, leading it to prospect for markets not where the private capacity to pay for the products it advertises is highest, but where the public needs for its curricular material are greatest. In the same way, it is likely that Channel One embarks some schools on a mild perversion of their purposes, causing them to make decisions on how to allocate public space and time not on the basis of the public interest — the pedagogical merits — but according to the blandishments offered by a private enterprise. In this sense, this first type of "commercialism" arrangement — where what the school offers is its own public space and time, and what the company supplies is its own private-market commodity or advertising for it — can rankle on both sides.

From private market to public benefit

In the second form of school commercialism, however, the school does not offer the company its students in their public role as students — or public curricular time or public classroom space — but rather centers exclusively on students and parents in their private-market role, as active purchasers of commodities. And what the company offers the school is a public good, pure and simple — such as equipment, computers, or a cash bequest — purged of any association with the company's own private-market commodity. In the Domino's example, students buy pizza, the school gets books. Or take another example: Parents in many states purchase products from their local Wal-Mart and return the receipts to the neighborhood school, which then sends the receipts back to Wal-Mart, which in turn rewards the school with free computer lessons for its students. Apple's "Apples for Students Program" does much the same with Apple computers: Students and their families purchase produce from a local grocery store which then, in a deal with Apple, provides the school with free or reduced-price computers once a certain threshold of purchases has been reached. Hershey or Orville Redenbacher, likewise, will give a school cash

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for every candy wrapper or popcorn label its parents and children send in.

Brita Butler-Wall, who led an ultimately unsuccessful fight to keep advertising out of Seattle's schools, calls such arrangements "travesties." She and other critics indict them both because of what they mean for the students and because of what they imply about the companies. As far as the students are concerned, Consumers Union complains, deals such as Apple's or Wal-Mart's teach them "to choose products or stores for all the wrong reasons" — not on the basis of the private-market criteria of price and quality, which is what they should be learning to use, but rather skewed by the hope of gaining some form of public benefit for the school. As for the companies providing cash or equipment to schools in exchange, Consumers Union argues, they are not doing so for purely altruistic reasons but rather are engaging in "self-serving philanthropy," giving because they expect to reap a return in goodwill. Companies' gifts of public goods such as books, equipment, or the cash to buy them — which should be made purely on the public-spirited criteria of generosity and benevolence — are instead being skewed by the hope of gaining some private benefit.

The school is no longer a public forum but a private market; the company no longer a private enterprise but a public philanthropist.

But the critics say too much. In such arrangements, both the school and the company are no longer compromising their principal roles, having stepped outside of them. The school is no longer a public forum but a private market; the company no longer a private enterprise but a public philanthropist. As far as the school is concerned, there is thus no turning over of any kind of public space — let alone the sanctum of the classroom — to the service of private ends. Rather, the school community's private-market decisions are being diverted to serve public ends. And this is no more troubling than, say, someone's holding in his wallet a Sierra Club or Multiple Sclerosis Society affinity credit card, where his determination as to whether to buy a particular private-market commodity can get colored, at the margins, by his knowledge that in paying for it he'll benefit a favored public cause.

As for the company — say Wal-Mart or Apple — it does not (as does Channel One) find itself directing a promotional campaign to markets where the public needs for curricular filler may be large but the private capacity to buy its products meager. Instead, in these arrangements, the company steps entirely outside of its profit-making role and enters a philanthropic one. And in distributing its public largesse, it simply does what many a company does, namely, allow itself to be guided by the need to cultivate a private market. This is no more troubling than what happens when a mogul builds a hospital wing named after his company.

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But there is a further wrinkle here. Even with deals of this relatively benign sort — in which the school offers a private market and the company a public good — there lurks, critics say, an insidious danger. There is a tendency, they argue, for the private market in question to move from outside the school to inside. During the 1997-98 school year, South Fork High School in Florida's Marlin County executed a deal with Pepsi on which — instead of students buying Pepsi at local stores in return for a corporate gift to the school — Pepsi got the exclusive right to sell drinks to students *within* the school itself, in return for which the school got $155,000 cash. A year later, the Colorado Springs school district awarded Coke a similar privilege in return for $8 million over 10 years.

More and more such arrangements are cropping up. And here, critics say, an added problem emerges. Unlike the Wal-Mart and Apple deals, where students and parents buy products outside of the school — and where they retain the option of shopping at Sears or buying from IBM should they prefer — when the market moves inside the school, such choices often evaporate. When Coke won its contract with Colorado Springs, 53 schools had to jettison their Pepsi machines as part of the arrangement. "Exclusivity," says Brita Butler-Wall, "is against free enterprise; it means a lack of consumer choice." The Consumers Union's Charlotte Baecher agrees. "Look at the great diversity of beverages you and I had when we were kids after a school football game," Baecher says; "today, with exclusive pouring arrangements, kids don't have the same broad range of choice." Echoing this concern, the Berkeley school board recently tried to make an in-school marketing deal with Pepsi more palatable by requiring the company to offer a variety of drink alternatives in its school vending machines.

It is, though, a little hard to take this "exclusivity" complaint seriously. Critics of commercialism in the schools are (or at least should be) coming from a perspective on which there's too *much* consumerism — too much commodity choice — in the schools, not too little. A critic of commercialism in the schools who complains that a particular deal is "against free enterprise," or that it fails to offer students a range of soft-drink alternatives, needs to do a little more work on her argument. It was, after all, the city of Berkeley that 30 years ago gave prominence to the Marxist philosopher Herbert Marcuse. Choices such as the one between Coke and Pepsi, Marcuse famously declared, are a form of "repressive tolerance," a false dichotomy staged by capitalists to distract people from the real, more fundamental choice between "wage slavery" and socialism. Odd that Berkeley should now be passing laws designed to preserve such small-beer choices in the school, as if the presence of Coke but not Pepsi were some form of deprivation. "Anticommercialism" is the last movement that should be taking such a position.

It's true that some critics zero in on Coke or Pepsi deals because the drinks are so lacking in nutritional value. "Calcium intake among active girls who have switched from milk to soft drinks," declares Maryland anti-

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commercialism activist Michael Tabor, "has decreased bone density." This attack, however, would have more credibility if the Consumers Union publication *Captive Kids* hadn't also scrutinized the Dairy Council of Wisconsin's "Delicious Decisions" curricular material for signs of "bias toward milk products."

What concerns over captivity are to the first kind of deal — where what the school offers is its public space — concerns about exclusivity are to the second kind of deal, where what the school offers is a private market. Both worries are red herrings. In witness whereof, it's worth noting that corporate practitioners of the first kind of deal — such as Channel One vice president Jeff Ballabon — defend themselves in a backhanded way by assailing the second kind of deal, the Coke or Pepsi arrangements, precisely for their exclusivity. "The deals schools make with vendors to feature only their products in the schools," Ballabon says: "*that* smacks to me of commercialism." Returning the compliment, practitioners of the second kind of deal — such as Dan DeRose, whose DD Marketing helps forge Coke and Pepsi arrangements — take aim at the first kind of deal, the Channel One arrangement, for preying on a captive audience. "Personally," DeRose told a 1998 symposium, "we feel that [commercialism] should stay out of the classroom."

Fretfulness aside, when it comes to commercialism in the schools, it is *possible to draw lines.*

Frank Kohler's fretfulness notwithstanding, when it comes to commercialism in the schools, it *is* possible to draw lines. When a school gives over classroom space to a company like Minute Maid — in return for book covers advertising Minute Maid's orange juice products — each party hazards the perversion of its principal role: its role as a public entity in the case of the school; its role as a private profit-making entity in the case of the company. The school risks suborning public space to private purposes, not public criteria. And the company risks aiming its promotions at student bodies which are the most publicly needy, not necessarily the most privately lucrative.

On the other hand, when a school steps out of its public role to create a private market for a grocery store's products — and when in turn the store steps out of its private profit-making role and contributes something of public value, such as Apple computers, to the school — what happens is relatively benign. It should be difficult to find fault with students whose private market purchases are guided by their hope of winning some public goods for their school. Likewise with businesses whose public philanthropy is affected by their desire for private gain.

Of course, just because it is possible to draw lines between the two types of deal doesn't mean they never get blurred. General Mills once had an arrangement whereby children would collect box tops from its cereal prod-

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ucts — acting in their private-market roles as consumers, not their public roles as students — yet what they got in return were not public goods such as books, equipment or cash, but school visits from the Trix Bunny, who would urge them to consume more of the company's private-market commodities.

It is hard not to raise one's eyebrows at such a deal. But beyond this rare line-blurring instance, most commercialism arrangements fall into either one class or the other, resembling either the Minute Maid or the Apple deal. The problem with commercialism's critics is that they tend to place the two on a par — finding fault equally with the Minute Maid orange juice and the Apple Computer arrangements. In so doing, they paint with too broad a brush. When it comes to commercialism in the schools, as in so many other areas of life, it's important not to mix apples with oranges.

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A "Concert of Asia"?

Why There Is No Substitute for U.S. Power

By NICHOLAS KHOO
AND MICHAEL L.R. SMITH

AS THE BUSH ADMINISTRATION was brusquely reminded with events surrounding the forced landing of a United States reconnaissance aircraft on Hainan Island after a collision with a Chinese fighter, it will very likely have its hands full dealing with the Asia-Pacific. Historic animosities and unresolved Cold War disputes, combined with continuing territorial disputes ranging from the South China Sea to the East China Sea, make for an insecure and unpredictable region. In addition, the issue of how to deal with China, a rising power and traditional hegemon in the region, is particularly problematic. Until the East Asian financial crisis of 1997, the conventional wisdom held that the region was set for an extended period of economic growth and tranquil security relations. To even question the notion of the Asia-Pacific as a place of progress, stability, and prosperity was to invite reproach for being out of touch with the reality of what one commentator described as a region characterized by "increased domestic tranquility and regional order."

Such sanguine views of regional developments, prevalent in scholarly and diplomatic circles before 1997, clearly failed to appreciate the underlying tectonics of what in fact is a deeply unstable area, at once riven with serious fault lines both between states and within states themselves. As a result of the economic crisis, governments have fallen in Indonesia, Thailand, and South Korea or, as in Malaysia, have come perilously close to the precipice.

It is likely that regional fragility is set to increase. A number of analysts

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have taken comfort in the region's economic performance in 1999-2000, when the chance of further catastrophic decline appeared to have been arrested. The truth, however, is that many economies in the Asia-Pacific are stagnant. The partial and very patchy recovery since 1999 arose not out of any intrinsic resurgence in the Asia-Pacific economy or any fundamental structural reform and improvement in competitiveness. Instead, it has been the continued openness of a booming U.S. economy that has sustained what is essentially a two-year-long "dead-cat bounce" in the Asia-Pacific. The unexpectedly high demand in the United States provided a market for the heavily export-oriented economies of the Asia-Pacific. This factor single-handedly revived the flagging export industries of the region. With the U.S. economy slowing down from a decade of unprecedented growth and even threatening to enter a recession, the economic outlook for the region as a whole, especially the weak and vulnerable states of Southeast Asia, is grim. With even leaner times ahead, further political instability will surely ensue.

With even leaner times ahead, further political instability will surely ensue.

In Northeast Asia, China muddles along in a bid to preserve social stability even while attempting to reform its economy in an effort to adapt to the terms to which Beijing acceded in negotiating entry into the World Trade Organization. Meanwhile, in Taiwan and South Korea, the ruling parties each face domestic opposition parties that resist current domestic and foreign policies. On the Korean Peninsula, North Korean leader Kim Jong-Il pursues a policy of strategic blackmail whereby regional fears of war are exploited to sustain a corroding regime. Notwithstanding South Korean President Kim Dae Jung's sunshine diplomacy, Pyongyang shows no real signs of peacefully relinquishing the regime's only bargaining chip, its nuclear and conventional ballistic missile program. In Southeast Asia, other than Singapore, the core states of the Association of Southeast Asian Nations (ASEAN) are facing various forms of internal dissension that have attended the financial crisis of 1997. Secessionist movements, such as those in Indonesia and the Philippines, or severe domestic political transitions (Indonesia, Malaysia, Thailand, and the Philippines) have devastated the straight-line projections of unrelenting economic growth that were proffered in the early and mid-1990s.

The country that is most fraught with internal conflict and whose problems have thus far received insufficient attention in the West is Indonesia — in terms of population, the fourth largest state in the world. Internal secession movements currently exist in Aceh, the Moluccas Islands, and Irian Jaya. In addition, tensions remain over the recent independence of East Timor, and ethnic conflict is of real concern in Kalimantan where, since 1998, the indigenous Dayak communities have launched brutal assaults on Madurese migrants.

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A "Concert of Asia"?

In the midst of this tumult, what is required, some observers maintain, is a stable and predictable pattern of multilateral-based diplomacy to manage rivalry and reduce tensions. Prior to the onset of the 1997-98 Asia-Pacific financial crisis, much diplomatic and scholarly opinion held that ASEAN could provide the basis for a new era in regional security management. In particular, its pan-Pacific offshoot, the ASEAN Regional Forum (ARF), was invested with high hopes. Established in 1994, the ARF, as a heterogeneous multilateral institution, was intended to address regional issues in an ostensibly transformed post-Cold War era. Before the crisis struck, the ARF, it was maintained, would extend the harmonious and inclusive practices of the ASEAN way across the Pacific. By bringing together both the ASEAN states and a disparate group of dialogue partners including China, Japan, the Unites States, Australia, and the European Union in nonconfrontational discourse, it was hoped that the security of the Asia-Pacific would be guaranteed through process-oriented confidence building.

The concert idea implicitly or explicitly takes as its model the Concert of Europe, which lasted from 1815 to 1854.

The ARF gained many admirers in scholarly and policymaking circles. Many saw it as a novel experiment in cooperative security, one that posed a challenging alternative to the supposedly excessively rigid, legalistic, and treaty-oriented norms of Western-style diplomacy. The limitations, indeed the illusion, of this nonbinding, consensus-oriented approach were graphically exposed by the aforementioned economic crisis. By late 1998, even voices in some of ASEAN's more heavily censured media began to acknowledge that it had played a negligible role in mitigating the effects of the economic and social implosion of member states and the manifold political problems to which this gave rise. Not surprisingly, the impotence of both ASEAN and the ARF in the face of financial meltdown and accompanying political turmoil has caused analysts to rethink their once enthusiastic endorsement of regional multilateralism.

Recently, the notion of a "Concert of Asia" has been canvassed as an alternative to the simplistic belief in the virtues of multilateral diplomacy. The concert idea implicitly or explicitly takes as its model the Concert of Europe, which lasted from 1815 to 1854. Conceived after the fall of Napoleon, the concert was a coercive diplomatic-security institution in which Britain, Austria, Russia, Prussia, and later France managed the European order in a manner consistent with their perceived interests in upholding the internal stability and territorial integrity of the continental state system. In recent years, the concert has attracted the attention of numerous observers. Professor Amitav Acharya, for example, who until the economic crisis in 1997 was a proponent of ASEAN's informal style of multilateral diplomacy, has recently proposed the concert model for contempo-

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rary Asia. Writing in the Autumn 1999 edition of *Survival*, published by the International Institute of Strategic Studies in London, he noted that the recent occurrence of bilateral summitry between the region's four "great powers"—the United States, China, Japan, and Russia—could, like the Concert of Europe, be formalized into a system that is able to contain rivalry, maintain order, and preserve the peace.

Some of the urgency that would seem to attend the desire for a new security system in the Asia-Pacific surely stems from discontent with current security arrangements, which can fairly be described as basing peace and stability in the region on a unipolar distribution of power predicated on American preeminence. This view does not, of course, sit well in any number of quarters. French Foreign Minister Hubert Védrine, referring to the United States as a "hyperpower," has expressed dissatisfaction with what he believes are American pretensions to dictate the global agenda for the twenty-first century. More recently, the *People's Daily* in China, reflecting the views of the Chinese leadership, slammed an official White House report that called for American global leadership in the new century, saying that "leadership" in this respect is synonymous with American "hegemony."

As the Chinese and French reactions show, the desirability of a unipolar distribution of global power is a contentious matter. Indeed, since the end of the Cold War, the French, Chinese, and Russians have regularly called for a return to a multipolar system reminiscent of that which existed in nineteenth century Europe. Hence, perhaps, the renewed interest in and enthusiasm for basing security on a concert of powers in Asia. On the surface this may seem a plausible idea. Closer examination, however, reveals such advocacy to be based on a suspect historical interpretation of the Concert of Europe and a less than certain grasp of the realities of Asia-Pacific security dynamics, which render highly questionable the applicability of the concert to contemporary Asia. In fact, a close examination of the nineteenth century multipolar concert system reveals that a skewed distribution of power in Washington's favor, both globally, but especially in the Asia-Pacific, has much to recommend itself.

Security challenges in the Asia-Pacific

CONCERT OF ASIA supporters contend that a concert system has a number of desirable attributes. First, it is asserted that regional crisis situations can be more satisfactorily resolved by relying on bilateral and multilateral consultations between the great powers that constitute a concert. Second, the argument is made that regional stability can best be maintained by obtaining prior agreement among concert members that any territorial change requires great power consent. Third, we are led to believe that great power conflict will be moderated in a concert system since a crucial requirement for such a system is that the principle of equality should

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characterize great power relations.

How would a concert system work in Asia? Basically, contentious issues would be highlighted for resolution by the great powers, which would then bring their prestige and power to bear in resolving them. Two current security problems — the Korean Peninsula and nuclear proliferation in South Asia — are often singled out as candidates for a Concert of Asia to manage. However, logically speaking, a number of other issues could qualify for concert management. A preliminary list might include the following: China's territorial claims in the South China Sea and East China Sea; Russian and Chinese proliferation of military technology to "rogue" regimes; the possible deployment of a U.S. theatre missile defense system in Asia; and the resolution of various insurgency-secessionist movements that litter the region.

The concert idea has been taken seriously by policymakers on both sides of the Pacific. In the United States, the idea won support from the Clinton administration. Indeed, the Clintonian Asian policy of establishing a strategic partnership with China and courting India, even while buttressing traditional alliances, can be seen as moving the United States toward concert-type arrangements in Asia. Ardor for a concert system in Asia was reflected in the views of Susan Shirk, Clinton's deputy assistant secretary of state for East Asia, who argued that while "achieving a full-fledged Asia-Pacific Concert of powers will be difficult," nevertheless, "an effort to forge a Concert should be undertaken even if it is unable to reach the ambitious standard of the nineteenth century Concert of Europe and achieves only ad hoc multilateralism or regular consultations among the powers." Enthusiasm for such views has not been limited to the Western side of the Pacific. High-level Asian officials such as Chinese Communist Party Politburo member Hu Jintao, Singaporean Deputy Prime Minister Lee Hsien Loong, and former Japanese Prime Minister Hashimoto have supported the idea of the major powers in the Asia-Pacific establishing a condominium to settle regional security issues.

Out of time, out of place

THE FUNDAMENTAL PROBLEM of international relations revolves around the issue of how to establish peaceful methods of economic and political change. Is a Concert of Asia the best instrument available to accomplish this task? In this respect, the debate on the viability of a Concert of Asia can profit from critical scrutiny of the nineteenth century Concert of Europe model and its putative relevance to the contemporary Asia-Pacific region.

Despite the claims of contemporary enthusiasts, the Concert of Europe was not, in fact, primarily an exercise in the management of change. It was an attempt to protect the old dynastic order against the "dangerous" democratic forces unleashed by the French Revolution. The crushing of popular

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uprisings across Europe in 1848 was an example of the concert in action. But Concert of Asia advocates present a concert as if it were an institution facilitating mutual self-restraint, benignly akin, say, to the Organization for Security and Cooperation in Europe. Given that the Concert of Europe had as much to do with the suppression of domestic disorder as the preservation of peace between its members, the doubtful relevance of the idea to Asia is at once clear.

In this respect, advocates of a concert system for Asia overlook an important ingredient that accounts for what is said to be its success in nineteenth century Europe, namely, the homogeneous nature of the continent's political regimes. The fact that all the major powers of Europe were monarchies, the ruling families often being related to each other through intermarriage, gave these states a shared interest in the preservation of the status quo. By contrast, in Asia there exists a plurality of regimes (as well as a host of ethnic, religious, and other divisions) that do not provide for a similarity of outlook. American liberalism, for instance, sits ill with China's authoritarianism, Japan's sclerotic political corporatism, and Russia's faltering experiment in oligopolistic-based democracy.

For it to have any meaning, a concert must have rules. States must agree to restrain their ambitions.

This illustrates a key problem for a Concert of Asia. For it to have any meaning, a concert must have rules. States must agree to restrain their ambitions, to refrain from actions that would destabilize the region, and to support each other in times of crisis. A commonality of interest is essential if a concert is to succeed. To maintain an Asia-Pacific Concert, the leaders of China, the United States, Japan, and Russia must be willing to agree to preserve largely intact the status quo at both the domestic and international levels.

One is unlikely to find much consent for these terms. China may wish to preserve its domestic order but would never agree to be constrained internationally. It will not accept restrictions over its policies toward, say, Taiwan or on the rate of the People's Liberation Army's military modernization. Nor is it probable that the Chinese would indefinitely support the continued American military presence in the region, particularly if the U.S. seriously moves to extend its theater missile defense system to Asia while continuing to thwart Beijing's ability to bring Taiwan back into its fold.

Conversely, while the United States may see some virtue in adhering to the current international status quo, it is unclear that the necessary domestic support for this position can be sustained in the long run. This is especially true if Beijing continues its dismal record on human rights. In any event, American public opinion would not support Washington going to Beijing's aid if Communist Party rule were ever seriously challenged. However, the need to maintain the legitimacy of a concert system would require such U.S.

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support. In accord with the terms of the Concert of Europe, the Russian army marched into Hungary in April 1849 in order to crush a secessionist rebellion and restore Austrian rule. Is it entirely realistic to expect the United States to assist the Chinese Communist Party (CCP) in this way?

Of course, proponents of a Concert of Asia do not articulate such implications. Indeed, they may entirely repudiate any suggestion that the United States should, as in the hypothetical example above, provide succor to the CCP. The point is, though, that if one takes the example of the Concert of Europe as the starting point, then one has to defend the integrity of the model. One cannot simply pick and choose those aspects of the Concert of Europe deemed to be positive while ignoring all the other characteristics that made the system work in the first place. The fact is that the expectation of a concert system, as practiced in nineteenth century Europe, was that in the face of a regime change or any alteration in the regional order, the ultimate logic of the concert is that it must always be prepared to reinstate the status quo ante.

How would violations of the rules of the concert be handled? The coherence of a concert demands that the rules be enforced.

These difficulties merely preface many other questions about the viability of a Concert of Asia. Would a concert be acceptable to the smaller ASEAN nations who would be asked to follow the strategic diktat of states that they either suspect of harboring designs to impose traditional patterns of dominance (China) or have still not completely forgiven for acts committed more than half a century ago (Japan)? To reflect accurately the distribution of power in the region, would India and a united Korea not also have to be included in any concert? Would Beijing accept the inclusion of other regional rivals — India, for example — into the pact? Conversely, should a moribund Russia be included in any concert? Likewise, does Japan's "self-containing" foreign policy make it a reliable candidate for membership?

All these questions arise even before we consider whether concert diplomacy would really resolve the potentially explosive disputes in both Northeast and Southeast Asia. Here we encounter even more thorny questions. How, for instance, would violations of the rules of the concert be handled? The coherence of a concert demands that the rules be enforced. As a practical matter, to have any claim to legitimacy, a concert would have to reach some agreement on what is arguably the world's most contentious problem in regional security, namely, the Taiwan issue. Yet, regardless of any prior concert agreement on this issue, in a crisis situation, how would the United States react if China launched a preemptive attack on Taiwan or if Taiwan moved further towards declaring independence?

The numerous problems already identified underscore the difficulties in

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getting a concert to function effectively. Even those who argue for its application to Asia acknowledge that its European variant worked well for only eight years, from 1815 to 1823, before slowly degenerating into rival feuding that culminated in the Crimean War, when Britain and France declared war against Russia. Surely, the short-lived nature and debatable effectiveness of the Concert of Europe should itself provide grounds for skepticism about the relevance of such an idea to the Asia-Pacific.

In this respect, one might contrast the Concert of Europe to the most successful multinational security enterprise of recent times, one that has undoubtedly contributed to peace and stability in Europe for the best part of 50 years: the North Atlantic Treaty Organization (NATO). But this classic example of an alliance-based organization is premised on the preponderance of American power in Western Europe and corresponds little with notions of a concert-based multilateral security architecture.

Furthermore, those who espouse the concert system insist that one of the principles to which one must adhere is that of equality of status among those key powers who assume responsibility for maintaining regional order. Yet the main reason for NATO's success and longevity is precisely that it is characterized by the dominance, both in decision making and military presence, of one single great power — the United States — that is, uniquely, external to the continent.

Therefore, if one suggests that schemes for a concert have proved relatively short-lived in Europe, often foundering on the rocks of political and national difference, then they are even less likely to be efficacious in a much more geographically disparate and heterogeneous continent like Asia. Moreover, if one can fairly criticize analysts for failing to fully appreciate the rarity and ephemeral nature of concert systems in European history, the same analysts seem also not to apprehend that Asia has even less experience of multipolarity. The only example of a multipolar system in Asia in modern times has been a negative one, covering the period of chaos, war, and colonialism from 1839 to 1945. There has been nothing resembling a concert in Asia. Instead, regional unipolarity has been the rule, reflected in the preponderance of Chinese power until the start of the Opium Wars in 1839 and, after a period of great turbulence, U.S. dominance in the post-1945 period.

The reality of American hegemony

THE FACT THAT A tradition of unipolarity has supplied stability in the region somewhat undermines the starting point of Concert of Asia advocates who believe that because the area is a hotbed of tension and rivalries, it needs to be managed through a multilateral framework. It does not. Currently, a benign American hegemony prevails in the Asia-Pacific and remains the key to managing change in a fluid economic and strategic environment. Moreover, there are solid theoretical and empiri-

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cal bases on which to believe that this is a desirable state of affairs.

From a theoretical perspective, U.S. military preponderance reduces the intensity of the "security dilemma" in the region. The term refers to a vicious cycle in which defensive actions taken to maintain a state's security are perceived as offensive threats and lead other states to take actions that reduce the first state's security. It is a theory that has particular resonance in the Asia-Pacific, characterized as it is by traditional rivalries, most notably between China and Japan. In essence, a robust forward U.S. military presence mitigates the likelihood that the myriad of potentially explosive territorial and sovereignty disputes will be resolved in a manner that disrupts regional security. To cite but one example, it has been the U.S. commitment to Taiwan since 1950 that has prevented Beijing from launching a full-fledged invasion to reclaim the island. Decision makers in Beijing, who view Taiwan as part of their sovereign territory, have been deterred by the U.S. military presence in East Asia from taking what they see as defensive actions to recover Taiwan.

From an empirical perspective, American hegemony generally finds tacit and widespread support across the region.

From an empirical perspective, American hegemony generally finds tacit and widespread support across the region, particularly among the ASEAN states that see the U.S. presence as necessary to counteract possible Chinese irredentism or a revival of Japanese militarism. For example, Singaporean Senior Minister Lee Kuan Yew has been quoted as saying that "the golden rule for Asia-Pacific security" is that of using the American presence in the region to forestall the excessive growth and influence of either China or Japan. In recent years, such rhetoric has been backed up by Singapore's extension of naval and air force facilities to the United States. Arguably, even the Chinese themselves, although they would prefer not to see the United States prevail in the long run, discreetly defer to American power, not least by tacitly recognizing America's role in helping to check any prospective Japanese or Russian adventurism.

Finally, it may be added that the best way to keep the United States firmly anchored in the Asia-Pacific region is to accept rather than challenge its de facto hegemony. Notions of hegemony are not very consistent with United States self-perceptions, and a continued demonstration by the Asia-Pacific region that the American role is appreciated will go a long way in ensuring that there is no inadvertent scaling down of that presence. One need only consider the counterproductive 1992 decision by the Philippines to close down American bases at Clark Field and Subic Bay to appreciate the fact that American decision makers know when they are not welcome. A critic might argue that rising Filipino nationalism meant that a United States pull-

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out was inevitable. Perhaps. However, such criticism reflects a failure to think strategically. The elation within some quarters of the Filipino population that attended the ejection of the American forces has been short-lived. It has since given way to a more sober assessment of regional security on the part of Manila's national security bureaucracy. In particular, following the United States pullout, Manila has been experiencing problems with Beijing's expansive claims in the South China Sea. These claims now stretch into the Philippines' 200 nautical mile maritime Exclusive Economic Zone. China's aggressiveness in the South China Sea has led Manila to negotiate a Visiting Forces Agreement (VFA) with the United States. The Filipino example merely highlights the fact that, notwithstanding the Vietnam War interlude, it has been the American hegemonic impulse that has underpinned relative stability in Asia for the better part of two generations. Departing from that formula, as the Filipinos discovered, opens a Pandora's box that should best be left closed.

Maintaining the pecking order

As THE BUSH administration formulates its policy toward Asia, it should keep in mind that American hegemony or leadership is not necessarily incompatible with a posture that provides incentives for security cooperation. Indeed, all means to provide stability in a potentially volatile region deserve a hearing. Perhaps, though, a distinction needs to be drawn between the more formalized versions of security cooperation such as a Concert of Asia — which imply over the course of an unspecified timeframe a diminution of American dominance in the region — and the very loose forms of security cooperation that are compatible with U.S. leadership in the Asia-Pacific. In this regard, recent calls by Zbigniew Brzezinski for greater security cooperation between the United States and the various players (including China) in the Asia-Pacific, implicitly premised as they are on the existing reality of American dominance, are far more viable than a Concert of Powers. They have the added merit of representing a practical attempt to think about ways to spread responsibility for the region's security affairs, thus avoiding the issue of "overstretch" that has tripped up previous global hegemons. After all, why should the United States seek to deal unilaterally on every single issue that crops up? A process of regional consultation among America's allies and willing partners to coordinate joint action towards specific problems may go some way in preserving American resources and capability to project power at a global level. The recent Australian intervention in East Timor that was backed up by American logistical support is one example of such an approach.

Relying on existing American bilateral alliances and loose diplomatic formations, however, is quite different from the notion of an explicit regional management system encapsulated in the idea of a Concert of Asia. On closer

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reading, the proposal for a formalized Concert of Asia along the lines of the Concert of Europe that some scholars endorse appears to have little to do with the intrinsic condition of the region's international relations. Rather, it seems to have more to do with an attempt by some advocates to rehabilitate their notions of cooperative security. According to Professor Acharya, a modern Asian concert could be predicated on the same set of norms that underpin the ARF and function as an effective instrument of crisis management and preventive diplomacy. Thus, a concert can be viewed as a middle way between the realist balance-of-power assumptions they seemingly oppose and the multilateral security efforts they once extolled but which were revealed as ineffective during the recent Asian economic crisis. Notwithstanding the doubtful coherence of this advocacy, if multilateralists are suggesting that an informal framework of bilateral meetings between the region's major powers constitutes a putative Concert of Asia, then one might inquire how this differs from routine diplomatic activity the world over. To garnish such activity with grandiose terms like "concert" is somewhat melodramatic.

In practical terms, the idea of a Concert of Asia has little to recommend it. The example of the Concert of Europe from which it draws sustenance was a regressive construct that inhibited change and arguably contributed to the later convulsions in the European order. Whatever the merits of the concert idea as a debating point, ultimately, the flaws of a short-lived system, the chief premise of which was to crush internal dissent, make it neither an appropriate model for Asia in the twenty-first century nor an inspiring advertisement of foreign policy enlightenment for the Bush administration.

An American grand strategy that seeks to preserve the United States' position in the global hierarchy is both plausible and desirable. Provided American leadership is exercised wisely, there is every reason to expect that rather than balancing against the United States, the majority of the region's major powers will "bandwagon" with, or otherwise defer to, the United States. If anything, the recent Sino-U.S. standoff on Hainan Island has only accentuated this phenomenon. Speaking in the midst of these events, one Southeast Asian diplomat pointedly noted: "This new incident shows that even with all its problems we still need the United States. Basically, our choice is between a hegemony in Washington or a hegemony in Beijing. We are still choosing the United States." As it turns out, what is needed to manage the security in the Asia-Pacific is not a Concert of Powers but a clear pecking order, with the United States at the top.

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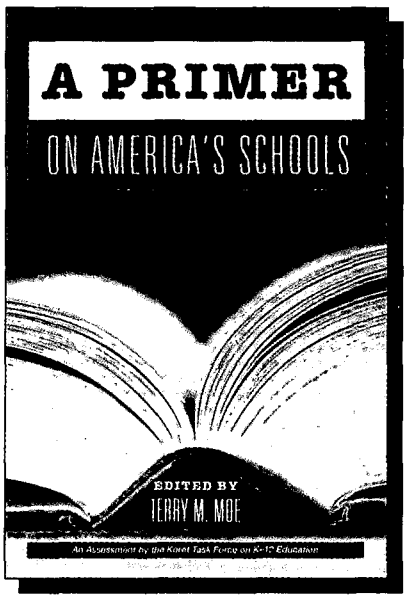

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BOOKS

Washington In Human Terms

By JON JEWETT III

MEG GREENFIELD. *Washington.* PUBLIC AFFAIRS. 233 PAGES. $26.00

AS THE LONG-TIME editor of the *Washington Post*'s editorial page, Mary Ellen "Meg" Greenfield was a member in good standing of the permanent Washington establishment. The bureaucrats and politicians who dominate Washington are intensely, even obsessively, concerned about what is written in the *Post*. It is much more central to the daily life of the place than are the newspapers in other cities. Accordingly Meg Greenfield, purely by virtue of her position, was a much bigger cheese in Washington than the editorial page editor of, say, the *Los Angeles Times* is in L.A. And through her columns and the op-ed writers that she developed for the *Post,* she reached a national audience.

Jon Jewett III, a Richmond lawyer, is a former congressional staff member.

Even the best editorial writers and regular columnists tend sooner or later to run out of fresh things to say. They settle into a comfortable spot on the ideological spectrum, talk to the same like-minded sources and friends, and eventually become predictable and stale. Meg Greenfield managed to avoid this fate. She was always worth reading. It was not that she was contrarian, or iconoclastic, or a maverick. What made Greenfield consistently interesting, even if you didn't share her politics, was that she tried to dig beneath the conventional presentation of the issues of the day and to understand them in human terms. Greenfield also successfully resisted the occupational hazards of pomposity and an inflated sense of self-importance. She was an insider who was able to retain the perspective of an outsider.

Washington belongs in the familiar genre of the Washington memoir. But it is not about great events, or political battles won and lost, or policy debates. Except to a very limited extent it does not contain portraits of the many famous people that she knew, and there is none of the score-settling that is so common in other Washington memoirs. She tells us very little about running the editorial and op-ed pages of the *Post*, or about her political philosophy and how she thinks the country should be run. What Meg Greenfield has produced, particularly in the first few chapters of the book, is a sort of anecdotal meditation upon the people and folkways of political Washington during the nearly 40 years she lived there. It is akin to cultural anthropology, but filtered through a literary sensibility, and free of social science jargon and theory. It also reveals a lot about

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who Meg Greenfield was and the values that shaped her approach to life.

Greenfield was born in 1930 in Seattle, the second of two children. In one of life's little ironies, she grew up in an area of Seattle known as Capitol Hill. Her father was an antiques dealer, auctioneer, and amateur entertainer. Her mother died when Meg was 12. Both parents were the children of Eastern European Jewish immigrants. She did well in school and at Smith College, graduating summa cum laude in English in 1952. After a year at Cambridge studying poetry on a Fulbright, and spending some time in Rome working on a never-completed novel, she moved to Greenwich Village. In the 1956 presidential election, she was director of research for the New York committee of the Adlai Stevenson campaign. She drifted into journalism, beginning as a part-time news-clip filer with the *Reporter*, a magazine of political commentary. Her first two articles in the *Reporter* were review essays on *The Complete Writings of William Blake* and an Evelyn Waugh anthology. Subsequently she wrote satirical and analytical pieces, particularly "The Prose of Richard M. Nixon," that attracted favorable notice. In September 1961 she was assigned to the magazine's Washington bureau, succeeding Douglass Cater, who was later to become a principal White House aide to Lyndon Johnson.

In 1968, when the *Reporter* ceased publication, Greenfield was offered a job on the staff of the editorial page of the *Washington Post* by then-editor Philip Geyelin. She became Geyelin's deputy, and in 1979 editor of the editorial page, a job she held until her death from lung cancer. Beginning in 1974, she wrote a fortnightly column for *Newsweek*, which was regularly reprinted on the op-ed page of the *Post*. She never married. She read ancient Greek and Roman authors for pleasure, including the Roman historian Livy and the comic writer Plautus, and left the bulk of her estate, worth almost $3 million, to the University of Washington department of classics.

When she arrived in Washington, D.C., Greenfield was immediately impressed by "the fact that living, breathing, willful people — not 'issues' — were at the center of what was involved in the capital."

> Honest-to-God people — as distinct from positions, policies, statutes, rulings, and other unfleshly particulars we were meant to ponder — didn't make their first major appearance as a political factor until my Washington time. The effect was as close to electric shock as anything that befell me in my job.
>
> . . . Some of the politicians to whom I had been sympathetic and who I had thought were doing serious work were not, and they were jerks into the bargain, utterly ineffective and either unaware of it or, worse, aware and not caring that their posturing hurt their cause so long as it pleased the folks back home.
>
> . . . [O]thers of them, alas, had many more redeeming features than I was prepared for, let alone prepared to be intellectually comfortable with. . . . Without the dimmest idea of what was coming

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> . . . I was dropped overnight into existential Washington.

In this unexpected world of Washington politics, she came to realize that "the basic linguistic unit of speech . . . is a statement that is already somewhere between one-eighth and one-fourth of the way to being a lie." And "such deception appears to be built into the process, a function of what they feel is required to stay alive and get anything whatever to happen."

This initial reaction to political Washington is not uncommon. But in Meg Greenfield's case she never completely assimilated and internalized the two-track language and way of thinking that characterizes Washington culture. Throughout her career, in her editorials and especially in her columns, a recurrent theme was the difference between what was purported to be taking place in Washington and the underlying, more complex, and larger human reality.

She began to work intermittently on this book in the early 1990s, and it was unfinished when she died. The foreword by Katharine Graham, former publisher of the *Post* and longtime friend of Greenfield, is essentially an extended eulogy, and a very good one. Her literary executor, the historian Michael Beschloss, selected the title of the book and the draft of each section that was used. She had intended to write a final chapter entitled "Friends and Family" but was unable to do so because of her illness. She talked about what she had intended to write with Beschloss, who has summarized his notes of those conversations in an afterword.

She begins by likening political Washington to high school, a "preeminently nervous place," "psychologically fenced off from the larger community within which it makes its home," an adult community largely made up of "people who, as children, were good at being children." It is an apt analogy, and she uses it to analyze many of the familiar personality types that one encounters in Washington — the Good Child (the category in which she places herself), the Head Kid, the Prodigy, the Protégé, and the trajectory of the careers they pursue.

She then turns to a change in the political culture that many other old Washington hands have lamented:

> Since about the mid-1960's, Washington has gradually become more and more a colony of political independent contractors, loners, and freelancers. It is still true that the lone-wolf practitioner cannot get much done in a policy or programmatic sense. But in an era when getting things to happen may have less political value than merely seeming to be on the right side, this doesn't bother nearly as many people in the capital as it should. People market themselves; policy and program become stage props.

What really distresses her is the tendency of the image that is being marketed to take over the actual self:

> There's not a one of us who has lived for a long stretch of time in the capital, I believe, who has not experienced that awful moment of realization that a friend or acquain-

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> tance with some public responsibility is losing the gift of normal discourse. He will have begun to address us over a casual drink or at the supermarket as if he were orating at the United Nations.

With her acute sensitivity to pretence and fakery, she draws a sharp distinction between the "dilettantes and dabblers and self-deluders" who temporarily possess the indicia of power, and the tiny number who have the commitment and know-how to make things happen. She is particularly disdainful of the swaggering, the playing with the "tinkertoys of power," that is frequently displayed by newly installed White House aides.

> I also recall the young woman who over dinner with some of us one night boasted how she had "punished" a Pennsylvania Republican congressman. In the name of the White House, she had seen to it that this marine veteran, who had no family in Washington, had his tickets revoked to the Friday night marine drill, which was his single off-hours diversion.

And when she writes of "the kid in the Clinton administration who told reporters that it didn't matter what the Democratic chairman of the crucial Senate Finance committee, Pat Moynihan, thought on the eve of the health care debate because they were going to work around him and whip his butt" and how Lyndon Johnson would have dismembered the aide "in the presence of plenty of witnesses on whom no part of the message would have been lost," it is clear that Greenfield thinks that such a dismembering would have been entirely appropriate.

In keeping with her fascination with the personal dynamics of Washington, Greenfield devotes a long chapter to "Women and Children." She explores the ways in which parents and spouses and children have the "capacity to penetrate the shell, brush aside the image-impostor standing in their way, and reach the real person." She also writes of the changing role of the political wife and her own deeply ambivalent and changing attitude towards the feminist movement. She was temperamentally alien to the movement — her office famously included a sign reading "If liberated I will not serve" — but at the same time, like other professional women, was supportive of many of the changes in the status of women to which it contributed.

The final, longest, and closest-to-the-bone chapter, which seems to me a minor masterpiece in itself, is about the "news business." Journalism for her was about "getting it right."

> [T]he model for proper conduct of our business is George Orwell, the incomparable journalist of our century, who followed his inquiries into all the unanticipated, uncomfortable, and illuminating places they led him.
>
> . . . [I] don't think I am talking about any particular rectitude here or public service mission or constitutional burden we have uncomplainingly assumed. I am merely enunciating the abiding, core function of the newsman and newswoman — what they will do right if they are any good and the standard by which they should be

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> judged. When instead of performing this function we abandon both our curiosity and our drive to satisfy it and either start trying to get the story to justify our assumptions or conclude that we don't need to ask or look or even wonder, because we're so smart we already know, we have walked off the job.

A consistent theme is the danger for journalists of being ignorant of and indifferent to "the reality and particularity of the people they are writing about." A further concern is "the invariable difference between what we knew, in all its maddening refusal to come out morally or ideologically neat, and what we publicly said or printed." She was acutely aware of the impact that something in print could have on people's lives: "A paper like the *Post* is a two-ton truck, and we run over a lot of people without even knowing it, and then we just roll on without even the most casual glance in the rearview mirror."

Meg Greenfield was anything but soft and nonjudgmental towards public figures. But she saw them as real people and she believed that "[a] little common decency, of the kind one would show to friends, family, and, for that matter, strangers in comparable circumstances, is hardly a threat to the independence of the press."

She has many more illuminating things to say in this chapter about both her colleagues in the press and her own experiences. Suffice it to say that it is Meg Greenfield at her best: penetrating, unflinching, and empathetic without making excuses. It could and should be used in journalism schools as the text for the course in ethics.

When Meg Greenfield came to Washington she was a 1950s liberal. She lost her zeal for that particular political faith but never converted to another. She was certainly never a conservative as that term is used in American politics. But her perspective on life had a conservative cast, in the sense that the sentiment expressed in Samuel Johnson's famous couplet — "How small of all that human hearts endure, That part which laws or kings can cause or cure!" — is conservative. In her belief in personal responsibility, her intellectual honesty and fairness, and her personal style and instincts she was — like her hero Orwell — someone who attracted admirers whose politics she did not share. Although the *Post* was undeniably left of center on most issues, it deviated from liberal orthodoxy surprisingly often (unlike, for example, the editorial page of the *New York Times*). It was and still is not uncommon for an issue to be presented in a more balanced, nontendentious way on the editorial page than in the news columns of the *Post*. And she ran a meritocratic op-ed page. Greenfield sought out not a token conservative columnist or two for "Crossfire"-style "balance," but independent, thoughtful, and provocative writers such as George Will, Charles Krauthammer, Michael Kelly, James K. Glassman, Robert Samuelson, and Jodie Allen — to varying degrees and by various definitions "conservative," but never orthodox. She also routinely printed strong free-lance op-ed pieces by many of the most eloquent and persuasive conservative and neoconservative intellectuals and politicians. Given the

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Post's dominance, a lesser editor might have used her power to crowd out dissenting voices. Greenfield used hers to encourage those voices. (Incidentally, she had no jurisdiction over, and so was not to blame for, the simplistic old-left cartoons of longtime *Post* editorial cartoonist Herblock.)

TOWARDS THE END of her life, Greenfield's thoughts turned to how she had come to be the person that she was. She talked with Beschloss of her lifelong desire for solitude, and of her failure to marry and have children — a choice that she regretted. The afterword concludes with a story of her childhood to which she attached great significance. One Easter in the late 1930s, her father took the family to a prison where he was to entertain the inmates.

> As Meg's father [Lewis Greenfield] performed onstage, she and her mother and brother watched as the "guys in gray prison issue" sat "slouched, hostile, with ankles crossed." Suddenly, one of the inmates cried, "Lew! Lewie!" Her father called out, "Hey Blackie!"
>
> As Meg recalled, she was unnerved by "shame and social embarrassment" that her father should know a criminal. But at the same time, she felt that "the place had been tamed, made familiar."

Beschloss reports that Greenfield felt that this experience at the prison had led to her career in journalism, her self-control, and her perspective on politics. This seems a bit of a stretch. But the incident, concerning as it does the recognition of a fellow human being where a moment before there had been a stereotype, does seem to capture that impulse to understand politics in terms of "Honest-to-God people" which lies at the heart of Meg Greenfield's journalism.

The Inner Equality

By JOHN PODHORETZ

EVA S. MOSKOWITZ. *In Therapy We Trust: America's Obsession with Self-Fulfillment*. JOHNS HOPKINS. 342 PAGES. $34.95

SIEGMUND FREUD was, perhaps above all things, an unparalleled encyclopedist of the perversity of human misery, detailing in countless volumes every conceivable means by which men and women bollix their own hopes, wishes, dreams, and capacities. Though he dedicated his life to the alleviation of such suffering, Freud wasn't especially optimistic about the nature of the cure he could offer. He once said that through analysis a person could expect to rise from a state of abject despair into one of everyday unhappiness. Freud discerned in human nature a series of animalistic urges and drives kept in check by a merciless hanging judge called the

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John Podhoretz is a columnist for the New York Post.

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"superego." But while the lower animals have an innate instinct for survival, Freud's humans must wrestle with a drive toward self-destruction he called "the death instinct."

Needless to say, this dark vision of human nature is dramatically at odds with the animating spirit of the United States — a nation whose founding document affirms an essential right to the pursuit of actual *happiness*. What's more, the notion of a self-governing society of citizens is directly in conflict with Freud's notion that people are driven by their very natures to act in ways injurious to themselves (and, by logical extension, to others as well).

So just how was it that this most European of contemporary thinkers, whose work is drenched in Spenglerian pessimism, became the greatest intellectual influence on the population of the United States in the twentieth century? We Americans are all Freudians (or post-Freudians) now, incapable of thinking of the world and ourselves in a nonpsychological way. Not only did Freud's way of thinking dominate the science of mind for much of the past 100 years — in ways that Freud's critics now contend did immeasurable damage to the fight against mental illnesses and the suffering they wreak — but various bastardized versions of Freud's "talking cure" have come to dominate the public square.

It is Eva S. Moskowitz's interesting contention that what she calls "America's obsession with self-fulfillment" actually predates Freud by half a century. In her new book, *In Therapy We Trust,* Moskowitz locates the origins of the American passion for curing afflictions of the spirit in the work of one Phineas Quimby, a Maine doctor of the mid-nineteenth century, and his influential tome, *Science of Health and Happiness*. "Dismissing self-denial as untherapeutic, immoral, and sacrilegious," Moskowitz writes,

> Quimby's new moral calculus emphasized the ideal of self fulfillment. His science, or medicine, was designed to secure happiness. In fact, he argued that contentment and growth were the standards by which his healing methods could be judged . . . . Independent of Freud, Americans charted their own therapeutic course.

Moskowitz argues that Quimby gave birth to a new spiritual-intellectual movement in the late nineteenth century called New Thought, whose most famous offshoot was the Christian Science Church founded by Mary Baker Eddy: "At the core of New Thought's religious vision were the ideas that everything was possible and that man through the power of his mind could control his health and his happiness." The movement's "effort to call attention to the problem of unhappiness was unprecedented in both its extent and its quality . . . . Its medicalization of a whole range of feelings set it apart from late Victorianism."

From New Thought, Moskowitz moves to the social-reform efforts of the early twentieth century and efforts to foster higher values and a more expansive vision of life among the poor, then to the rise of marriage counseling as a profession, the use of psychological testing in World War II, the rise of feminism and identity politics, the explosion of self-help and support groups in the 1970s and 1980s, and the dissolution of the very notion of reti-

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cence as represented by the triumph of Oprah Winfrey and the daytime talk-show boom. And she attempts this project in a mere 284 pages.

In Therapy We Trust is an especially fascinating work because its author is, of all things, a professional politician. Moskowitz has represented the Upper East Side of Manhattan in New York City Council for three years now, and due to the structure of New York's new term-limits law, she will be the most senior member of that body come January. You may take it on faith when I tell you that the New York City Council is not generally known for the intellectual aspirations of its members. So it's all the more striking that the chief failing of *In Therapy We Trust* is that it is far too intellectually ambitious for its own modest size. Samuel Johnson once said of *Paradise Lost* that "none ever wished it longer," and it's a sentiment I share about almost every book I've ever read. But *In Therapy We Trust* is so astonishingly broad in scope that it necessarily treats almost every detail in the course of its history in a cursory manner, and makes vast generalizations that are easy to dismiss (was Phineas Quimby more important in the history of American self-fulfillment than Thoreau or the Transcendentalists?). It ought to have been much longer.

Still, Moskowitz is an intelligent writer with a wicked eye for detail, as in this little summa of our embarrassing recent history:

> An estimated 40 percent of Americans, or approximately 75 million adults, attend [support groups] . . . . Jeffry Ahorn, for example, recounts how the local chapter of California's Pet Loss Support Group helped him deal with the death of Fred, his twenty-pound boa constrictor, whereas outside the group "no one understood what Fred had meant to me." Jennifer Stratford credits her nail-biters support group for helping her overcome her habit. She proudly announces that she can finally wear orange nail polish "without feeling foolish."

Moskowitz's skepticism about the inexhaustible national hunger for psychological introspection makes *In Therapy We Trust* exceptionally entertaining for an academic tome published by a university press.

Her skepticism is ideological as well as moral and aesthetic. Moskowitz, a liberal Democrat, believes that the effort to locate the sources of poverty and dysfunction in the psyche has obscured the real root causes of these conditions — which is to say, class, race, and gender bias. She hints, though she does not say outright, that progressive political solutions to difficult problems were hijacked by the nation's obsession with psychological cures. The insistence on looking inward relieved what might otherwise have been irresistible pressure to redistribute income and political power.

Moskowitz, in whose City Council district the very notion of "limousine liberalism" was born 30 years ago, too often indulges here in unthinking parlor Marxism — or perhaps it's assistant-professor-faculty-lounge Marxism — about immensely complicated subjects that cannot be boiled down to simple political equations. The prefeminist efforts to counsel unhappy wives in

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women's magazines, she writes dismissively, "seem . . . geared more to cold-war values than to women's needs." The very term "cold-war values," which is both ominous and meaningless, is unworthy of a book that offers so many genuinely witty criticisms of American self-obsession.

Moskowitz's politicized critique of psychological thinking is no more convincing today than it was when Frantz Fanon made it in *The Wretched of the Earth* 40 years ago. But it does inadvertently point to one possible answer about the triumph of Freudian thinking in the United States. Despite Freud's skepticism about human nature, he was the most egalitarian great thinker who ever lived. In the Freudian worldview, everyone from stevedore to senator is possessed of an inner life of stunning complexity and an imagination of unbounded power — even if the power is only exercised over the self. There are no wily Tolstoyan peasants here, possessed of a simpler and higher wisdom, or Shakespearean buffoons so dull-witted they can't speak in poetry. Everyone is equal when it comes to the ability to make a total hash out of life.

When you think about it, it is the only theory of human behavior that is genuinely appropriate for a heterogeneous democracy. No common faith, no common deity, no common set of political principles is required. We all have fathers and mothers who failed us at one time or another. We've all had our hearts broken. We've all had trouble losing those last five pounds, not to mention the first five. We are all equal under Oprah.

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LETTERS

Russia And NATO

SIR, — Helle Bering's article on NATO expansion ("The New, Bigger NATO: Fears *v.* Facts," April/May 2001) is quite interesting in its critical analysis of opposition to NATO enlargement into the former Soviet sphere of influence. Unfortunately, the article seems to discount out of hand Russian objections to such expansion.

It is important to note that, while it is no longer a world power, Russia is a key entity in European and Asian affairs, and should be treated with respect. Covering the largest land area of any nation in the world, and home to nearly 200 million people, more than any other European nation, Russia is a key player simply by virtue of its size, if not by its power. Its possession of thousands of nuclear warheads is also a prime reason for respecting Russia.

There are a few countries in this world that suffer from, for lack of a better term, a persecution complex. After over a hundred years of being carved up by other military powers, China and other southeast Asian nations have it; after spending centuries as subjects of the Ottomans, and then Britain and France, the Arabs have it; and after being invaded from the west twice in the past century, and suffering in the vicinity of 40 million casualties between the two wars, Russia has it too.

This fear of attack is one of the reasons Russia created the Warsaw Pact. The Warsaw Pact was a response to the acceptance of West Germany into NATO in 1955. With the West seemingly beginning a new invasion across Europe, this one political as well as military, the Russians responded by guaranteeing a large buffer zone between NATO and the Soviet Union. The creation of their own buffer zone made the Russians feel safer and more secure, knowing that if NATO were to attack, they would have to slog through hundreds of miles of communist defenses before reaching Moscow.

Although World War II is long past (this year marks the sixtieth anniversary of U.S. entry into the war), the Russian persecution complex is no less diminished. Russia still fears invasion from the west, as shown by Vladimir Putin's concerns about NATO expansion. This fear needs to be recognized and dealt with, not dismissed out of existence.

Because Russia needs to be handled with care, NATO should not expand into the former Soviet Union as long as Russia itself is not offered membership, which it should not be at this time. Russia still needs its buffer zone; expansion by NATO into Ukraine, Belarus, or the Baltic states would put NATO borders within 300 miles of key Russian cities. Obviously, to the Russians this is unacceptable, as it would also move NATO air bases all the closer.

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Russia should be allowed its buffer zone, because its national psyche will not change to match the desires of the West. Their legitimate worries of encirclement can't be dismissed out of hand, especially if Russia is expected to listen to the West on issues such as nuclear proliferation and the now defunct ABM treaty. It's for that reason that Russia has to be listened to and given a wide berth, rather than approached from a position of strength as it is in a position of weakness.

DANIEL E. CLINKMAN
Mendon, Mass.

THE AUTHOR REPLIES,

Mr. Clinkman's concern for the feelings of the Russians is commendable, but in my view founded on faulty premises. The Soviets had as their goal the domination of all of Europe, not just a defensive buffer zone in the East Bloc countries. This was of a piece with the communist forward thrust that could be seen in other parts of the world — East Asia, Latin America, Africa — not just in Europe. As was discovered after the fall of the Berlin Wall, Warsaw Pact battle plans for the invasion of Western Europe were detailed in the extreme, all the way down to names, phone numbers, and addresses of the European leaders to be eliminated in the first hours of an invasion.

Second, Russian public opinion polls reveal little interest in the actions of NATO, one way or another. Ordinary Russians have survival on their minds, or the accumulation of wealth if they are among the fortunate few. The Russian leadership, on the other hand, finds NATO a convenient whipping boy. There is a huge discrepancy here.

And third, neither Belarus nor Ukraine has been mentioned as a prospective NATO member. The Baltic countries are a different matter. The United States has never accepted them as part of the Soviet Union. They ought to be free to choose their course.

HELLE BERING
Washington

LETTERS TO THE EDITOR

Policy Review welcomes letters to the editor. Write to: *Policy Review*, 1030 15th Street NW, 11th Floor, Washington DC 20005. You may also send correspondence via e-mail to Kelly Sullivan, editorial office manager: sullivan@hoover.stanford.edu. Please include your name and phone number. Letters will be edited for space, clarity, and civility as required.

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